

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 7 November 2012

The Council met at Eleven o'clock

## MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

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

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

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

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

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

THE HONOURABLE CYD HO SAU-LAN

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

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

THE HONOURABLE CHAN HAK-KAN, J.P.

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

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

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

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

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

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

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

THE HONOURABLE TANG KA-PIU

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

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

THE HONOURABLE CHUNG KWOK-PAN

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

THE HONOURABLE TONY TSE WAI-CHUEN

**PUBLIC OFFICERS ATTENDING:**

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

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

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

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

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

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

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

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

### **CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT 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:

- No. 16 — Secretary for Home Affairs Incorporated  
Financial statements together with the Report of the Director of Audit for the year ended 31 March 2012
- No. 17 — Sir Edward Youde Memorial Fund  
Report of the Board of Trustees for the Period 1 April 2011 to 31 March 2012 together with the financial statements and the Report of the Director of Audit for the year ended 31 March 2012
- No. 18 — Occupational Safety and Health Council  
Annual Report 2011/2012

Report No. 2/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

**ORAL ANSWERS TO QUESTIONS**

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

**Domestic Free Television Programme Services**

1. **MR FREDERICK FUNG** (in Cantonese): *President, regarding the effective utilization of the television channels and future development of domestic free television programme services (free TV), as well as the vetting of applications for free TV licences, will the Government inform this Council:*

- (a) *given that the audience ratings of the programmes of one of the two existing free TV broadcasters have all along been low, whether the authorities have recently assessed if there is poor utilization of television channels at present, the impact of such situation on the sustainable development of free TV, and if the two licensees have*

*made efforts in promoting local creativity and programme diversity; if they have, of the assessment results, what measures they will take to enhance the utilization of the television channels, and if they will consider revoking the licence concerned or re-tendering some of the channels; if they will not re-tender the channels, of the reasons for that;*

- (b) *given the report that an applicant for the free TV licence has indicated that, despite the overwhelming public support for introducing new free TV, the Government has not yet completed the vetting of applications, and that the applicant has been waiting for more than 1 000 days for the result of the application, whether the authorities can list those previous projects the vetting of which has also taken such a long time; whether they have assessed the impact of such a long vetting time on the future development of free TV, and if the long vetting time will give investors an impression that the Government is exceedingly bureaucratic and inefficient, thus affecting investors' interests in investing in Hong Kong in future and undermining the competitiveness of Hong Kong; and*
- (c) *what mechanism is in place to ensure that the vetting of applications for television licences will not be subject to political considerations and political interference, and to avoid the authorities responsible for vetting the applications putting unreasonable demands on the applicants and existing licensees taking legal actions to delay the vetting process?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, the Government has always attached great importance to the development of the broadcasting industry. Our broadcasting policy is to promote the sustainable development of the local broadcasting industry and encourage fair competition, investment and the adoption of innovative technologies, thereby leading to the provision of more choices of quality programmes to the public. Under the technology-neutral regime enshrined in the Broadcasting Ordinance (BO) (Cap. 562) enacted in 2000, television programme services are regulated according to their characteristics and pervasiveness rather than their transmission mode, and licensees are free to adopt

their own transmission means to deliver their television services. Indeed, we have all along adopted a liberalized, light-handed and pro-competition regulatory approach. As a result, Hong Kong boasts a vibrant broadcasting industry and a multitude of television and radio channels with diversified programming.

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

- (a) Hong Kong is a pluralistic society. Members of the public have diverse demands for television programmes. Since the variety and quality of television programmes are determined by a combination of factors including selection of materials and programme production, there can hardly be any absolutely objective benchmark in this respect. Viewership ratings are not the only indicator for assessing the variety and quality of television programmes.

Regarding the variety of television programmes, the two existing free TV licensees are required under their licence to provide a diversity of programmes to meet the needs of different viewers. In particular, they are required to broadcast a minimum amount of educational, informational and locally produced programmes, and carry programmes produced by Radio Television Hong Kong (RTHK) during prime time.

After the mid-term review of the domestic free TV programme service licences of Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) in 2010, the former Broadcasting Authority (BA) (that is, the predecessor of the Communications Authority (CA)) recommended that enhanced programme requirements should be imposed on the two free TV broadcasters. The former BA's recommendations were subsequently accepted by the Chief Executive in Council. These enhanced requirements serve to address the public's demand for more locally produced programmes as well as the public's call for more educational, informational and RTHK programmes.

Furthermore, the Chief Executive in Council approved during the abovementioned mid-term review the former BA's recommendation to engage the public to collect their views on the quality and variety



of the programmes provided by the two television broadcasters. The first such public engagement exercise was conducted in 2011. Through various channels, the former BA invited organizations and individuals from different sectors of the community to give their views on the quality and variety of free TV programmes, and over 150 submissions had been received. The former BA also conducted focus group discussions, inviting participation of professionals, representatives of concern groups and members of the public of different age groups, so as to listen to their views on the programme quality of the two free TV broadcasters. The representatives of the two free TV broadcasters also joined the discussions to directly listen to the public views. Subsequently, the former BA sent the views collected in the public engagement exercise to ATV and TVB, both of which have responded to the views and taken follow-up actions.

The public engagement activities will be held regularly to enable the free TV licensees to listen directly to public views. The CA will also continue to monitor the licensees' performance, expecting them to take into account public views in producing programmes and formulating programme strategies, so that their broadcasting services will better meet the expectations and needs of the public. As regards revocation of licence, any such cases will be dealt with in accordance with the relevant provisions of the BO and established procedures. However, there is at present no evidence suggesting the need to revoke any of the existing domestic free TV programme licences.

- (b) Under the BO, the CA shall consider applications for a domestic free TV programme service licence and make recommendations thereon to the Chief Executive in Council. After considering the recommendations made by the CA, the Chief Executive in Council may grant a domestic free TV programme service licence, subject to such conditions as he thinks fit specified in the licence. The former BA earlier completed the assessment of three applications for domestic free TV licences in accordance with the BO and established procedures, taking into account various relevant factors, and made recommendations to the Chief Executive in Council on the

three applications. The Chief Executive in Council is now processing the recommendations in a prudent manner. The outcome will be announced as soon as possible after a decision is made by the Chief Executive in Council.

Since the enactment of the BO in 2000 which sets out the prevailing broadcasting licensing regime, we have not granted any new domestic free TV programme service licence. In other words, there is hitherto no precedent case for us to advise on the time taken by the Chief Executive in Council to consider free TV licence applications under the current licensing regime. We understand that both the applicants and the public would like to know the outcome of these applications as soon as possible, but the Administration has to process all applications for domestic free TV programme service licences strictly in accordance with the BO and established procedures. The Administration is obliged and required to process each application prudently in accordance with all relevant requirements.

- (c) As I have said a number of times at the meetings of this Council, the Guidance Note for Those Interested in Applying for Domestic Free Television Programme Service Licences in Hong Kong issued by the CA sets out clearly the assessment criteria, which include the applicant's financial soundness and commitment to investment; the applicant's managerial skills and technical expertise; the variety, quantity and quality of programmes to be provided; the technical soundness and quality of the proposed service; the speed of service roll-out; minimum inconvenience to members of the public; the benefit to the local broadcasting industry, viewers and the economy as a whole; and quality control and compliance. The Chief Executive in Council will take into account all relevant factors and be guided by public interest in deciding on the applications. As I have also previously explained to this Council, the Administration has been processing the recommendations submitted by the former BA expeditiously and prudently in accordance with the statutory requirements and established procedures. I believe that the most appropriate course of action for the Administration is to continue to

follow this established mechanism and handle the three applications in strict compliance with the procedures and the law.

**MR FREDERICK FUNG** (in Cantonese): *President, the applications have been submitted for more than 1 000 days, or more than two years and eight months. I remember that the Rose Garden Project, one of the 10 major infrastructure projects before 1997, took only 10 years to complete the construction of the entire airport. But now, the outcome of the applications for television programme service licences has not yet been announced after almost three years. What are the difficulties involved? The delay of licence issuance has in fact deprived Hong Kong people of the right to enjoy entertainment available to them through the airwaves as well as the right to free speech. Such a hindrance is a loss for the people. What are the difficulties causing the situation where the authorities have not yet completed the vetting of applications after 1 000 days?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): *President, as I have mentioned in the main reply, we know that the public would like to know the outcome of these applications as soon as possible. But the authorities have to process all applications for free TV programme service licences strictly in accordance with established procedures in a prudent manner, particularly because of the profound implications on the domestic free TV programme market by free TV programme service licences. So, the Chief Executive in Council has to give serious consideration to the issuance of a licence. As I mentioned in the main reply, this is the fifth time I am answering questions by Members in this regard this year. I would like to tell Members that we will process these applications expeditiously in a prudent manner.*

**MR FREDERICK FUNG** (in Cantonese): *President, the Secretary has not answered my supplementary question. From the main reply to the words repeated just now, the Secretary only said that there are certain procedures .....*

**PRESIDENT** (in Cantonese): *You need only repeat your supplementary question.*

**MR FREDERICK FUNG** (in Cantonese): *..... but he did not mention what those certain procedures are.*

**PRESIDENT** (in Cantonese): You need only repeat your supplementary question.

**MR FREDERICK FUNG** (in Cantonese): *The Secretary has evaded my question on the pretext of "certain procedures". I requested a clarification of the problems and difficulties involved, but he did not answer it.*

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

**MR FREDERICK FUNG** (in Cantonese): *What is meant by "certain procedures"? Why was the Administration unable to complete the vetting after 1 000 days?*

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

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, regarding certain procedures and factors of consideration, this is the fifth time I have come here to answer a similar question, as I pointed out just now. I have also reiterated a number of times the factors to be considered. I may say that the procedures include procedural justice and legal matters involved. We will process the applications expeditiously and in a prudent manner.

**MR CHAN CHI-CHUEN** (in Cantonese): *President, the Secretary has repeatedly mentioned that the three applications for free TV programme service licences are being processed in accordance with procedures, pending approval by the Executive Council. Hence, it is not convenient to disclose the details. However, members of the public and the relevant organizations are very concerned that the three free TV programme service licences will be aborted.*

*There are even rumours that an applicant is prepared to "accept defeat" and "beat a retreat". My supplementary question is: Have the authorities considered rescinding the issuance of the three free TV programme service licences, and under what circumstances, conditions and factors the licences will such a course of action be taken?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, the process is still ongoing. I have mentioned time and again that the Chief Executive in Council is now processing the three applications. No consideration has been given to rescinding the issuance of licences.

**MR IP KIN-YUEN** (in Cantonese): *President, Secretary Gregory SO said in the last sentence of part (c) of the main reply that "the most appropriate course of action for the Administration is to continue to follow this established mechanism and handle the three applications in strict compliance with the procedures and the law." However, regarding the statement that the Administration will continue to comply with the procedures, we have a very strong feeling since 1 000 days have passed and the Secretary has also come to this Council five times to give explanations. Will the Administration continue to drag its feet? As the main reply said that the former BA has submitted its recommendations to the Executive Council, my supplementary question is: When were the recommendations submitted? Besides, does the Government have any intention to brief this Council on the meaning of "certain procedures"? What does the term cover?*

**PRESIDENT** (in Cantonese): I would like to remind Members that they can only ask one question when raising supplementary questions. Secretary, please reply.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Thanks to the Honourable Member for his supplementary question. I would like to say that we have never dragged our feet insofar as the procedures are concerned. We will process the applications expeditiously in a prudent manner. As I have repeatedly explained to Members in the Legislative Council, we have to comply with the procedures under the Ordinance, in particular,

sections 8, 9 and 10. Applications will first be processed by the present CA (that is, the former BA) which will then make recommendations to the Chief Executive in Council for further consideration. This is our procedure. Certainly, a lot of complex issues will be involved in this process. As I mentioned just now, the authorities have to comply with the relevant procedures and consider a number of factors, which are included in the Guideline. I have repeatedly pointed out the relevant factors in answering questions in the Legislative Council. These factors were mentioned again in the main reply. All relevant factors will be taken into account.

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

**MR IP KIN-YUEN** (in Cantonese): *President, basically the Secretary has not answered the two questions raised by me just now. First, can he tell us the exact date on which the recommendations were made?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): The former BA submitted the recommendations to the Chief Executive in Council in July 2011.

**MS CLAUDIA MO**: *It is a popular understanding that there are political considerations involved in this issue, such as any applicant would need to be politically obedient, correct or ideologically acceptable to Beijing. I am not going to ask you that particular question because you are going to parrot your answer once again. My question is: it is understood that your Bureau has been terribly worried about legal proceedings against the Government taken out by the existing free-to-air television licence holders and apparently, the fact is that you have already got official legal advice that if the Government uses public interest, you would go scot-free, you would win any such .....*

**PRESIDENT** (in Cantonese): Ms MO, please come to your supplementary question.

**MS CLAUDIA MO:** ..... *legal suits. Could you inform this Council if the above is true?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT:** I would like to thank the Honourable Member for asking this question, allowing me the opportunity to explain once again that political consideration is not part of the factors to be considered in this application. I have said time and again that those factors to be considered have been laid out in the Guideline and in the applicable legislation. Political consideration is not part of them. As to what would be considered by the Executive Council and in the discussion, other than what I have told you, because of the confidential nature of the way the Executive Council is conducted, I am not at liberty to disclose what has been discussed.

**MR RONNY TONG** (in Cantonese): *President, just now the Secretary repeatedly stressed that he had come to the Legislative Council to explain the issue on five occasions. But the answers on those five occasions were exactly the same. President, in the past two years or so, one of the television broadcasters, which has monopolized the market in Hong Kong for many years, has publicly stated that the business will become not profitable if more licences are granted. President, I would like to ask a very simple question: Can the Secretary inform this Council whether the long delay by the authorities in considering the issuance of licence is due to the hindrance posed by this television broadcaster openly or on the sly? If not, can the Secretary give us a more explicit reason why such a simple task has taken several years?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, as I mentioned in the main reply just now, our broadcasting policy is to encourage fair competition, thereby leading to the provision of more choices of service to the public. Certainly, applications should be processed in accordance with established procedures under the legal framework. Therefore, we will consider all relevant factors. And in this consideration process, we certainly have to comply with the requirements in law.

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

**MR RONNY TONG** (in Cantonese): *The Secretary has not answered such a simple question. My supplementary question is: Is the long delay by the Government due to the objection of a television broadcaster which has monopolized the market? The Secretary should answer either "Yes" or "No". Otherwise, he should say "I do not know".*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, Mr TONG should know it very well that regarding monopolization of the broadcasting market, relevant legislation has been put in place to deal with such a situation. Therefore, insofar as the three applications are concerned, this is not a factor of our consideration. Of course, the choices to the public and the economic benefits and interests of the broadcasting industry as a whole are the factors under consideration.

**MR RONNY TONG** (in Cantonese): *The Secretary still has not answered my question.*

**PRESIDENT** (in Cantonese): Secretary, can you simply answer "Yes" or "No"?

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I am afraid I cannot disclose the matters considered by the Chief Executive in Council.

**MR CHARLES PETER MOK** (in Cantonese): *President, I know that the Secretary has come here to answer questions on this issue on several occasions already. And in the main reply, he has also said that the Chief Executive in Council is processing the applications. In his reply to my question on the same issue on 17 October, the Secretary said that he had not requested a re-study by the Bureau, despite a media report on the issue. However, it was reported by Wen Wei Po last Saturday that Mrs Carrie LAM, the Chief Secretary for*



*Administration, said at a seminar at The Chinese University of Hong Kong that a re-study was being conducted by the relevant Policy Bureau. May I ask the Secretary whether the ball is now in the court of your Bureau or the Executive Council? What has happened insofar as the procedures are concerned?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Thanks to Mr MOK for his question. The matter is very clear. The applications are now subject to vetting by the Chief Executive in Council, and the role of my Bureau is to provide technical support to the Executive Council.

**MR CHARLES PETER MOK** (in Cantonese): *In that case, was the Chief Secretary for Administration's understanding at that time incorrect?*

**PRESIDENT** (in Cantonese): Mr MOK, the Secretary has given an answer already.

**DR ELIZABETH QUAT** (in Cantonese): *President, the long delay in the granting of free TV programme service licences has aroused much concern and dissatisfaction among the public. It is also unfair to the organizations which have made investments. While some people worry about external interference, some people worry about political considerations. While the Government's determination to promote market competition is being questioned, doubt has also been cast on its efficiency. What will the authorities do in order to dispel the doubts and placate the dissatisfaction of all sectors?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I have explained more than once that the recommendations by the former BA have been handled in accordance with statutory requirements and established procedures. I understand that the applicants and the public wish to know the result as soon as possible. However, we cannot bypass the required procedures. In my opinion, the most appropriate approach is to handle these applications in accordance with the procedures and legal framework.

**PRESIDENT** (in Cantonese): We have spent more than 22 minutes on this question. Second question.

### **Measures to Prevent Conflicts of Interests Involving Politically Appointed Officials**

2. **MR KENNETH LEUNG** (in Cantonese): *President, it was uncovered earlier that there were unauthorized alterations in two properties owned by Harvest Charm Development Limited (the Company) in which the wife of the Secretary for Development had a stake and that the properties had been used to operate sub-division of flat units (commonly known as "sub-divided units"). Moreover, while the Secretary for Development has said that he and his wife do not hold any shares of the Company at present, it has been reported that the Secretary for Development might still have control over the Company through two overseas registered companies. Some members of the community have pointed out that the Secretary for Development has a duty to tackle the problems of sub-divided units and housing for members of the public, yet the Company in which his wife has a stake is suspected to have carried out unauthorized alterations and operate sub-divided units, they are therefore concerned about whether the integrity checking mechanism for politically appointed officials (PAOs) and the existing measures can effectively prevent conflicts of interests. In this connection, will the Government inform this Council:*

- (a) *whether it had conducted checking on the integrity and sources of assets of the candidates for nomination as the Secretary for Development and their family members; if it had, of the details of the checking mechanism, and whether checking was conducted under the mechanism on the candidates or their immediate family members to see if they were involved in unauthorized alterations and the operation of sub-divided units, and whether they could pass the integrity checking when they were so involved; whether the Government has reviewed and improved the mechanism in the light of the aforesaid incident; if it has, of the details;*
- (b) *as it has been reported that the relatives of the Secretary for Development were engaged in investment activities of trading old buildings, and the Secretary for Development needs to handle policies on urban renewal and land supply, whether the authorities*

*have assessed if there are any loopholes in their measures to prevent conflicts of interests; and how they ensure that the private affairs of the various PAOs and their family members will not lead to conflicts of interests with the official duties concerned; and*

- (c) *whether the existing declaration system requires the various PAOs to declare the shares in overseas registered companies indirectly held by them and their spouses and to declare if they receive any bonuses from those companies; if so, of the details of the relevant declarations; and whether the Government will take the initiative to ascertain if the relevant declarations are true; if it will not, of the reasons for that?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, in response to recent media reports concerning the investment in old buildings by the Company which the Secretary for Development's wife had a stake and the related discussions in the community, the Secretary for Development has explained the case to society by issuing written statements, as well as meeting the media and responding to their enquiries since August this year. The Secretary for Development has never held any share of the Company. The shares of the Company held by his wife through an overseas registered company have all been sold already. In accordance with the Company Ordinance (Cap. 32), the relevant changes in shareholdings will be reflected in the 2013 annual return of the Company. As a politically appointed official, the Secretary for Development must comply with the Code for Officials under the Political Appointment (the PAO Code), which requires politically appointed officials to avoid conflict of interests. In the Secretary for Development's statement issued in August, he has already undertaken that during his tenure as the Secretary for Development, he and his wife would not be involved in the Hong Kong property market, except for personal usage. The Administration will not further provide supplementary information and comment on this case.

In consultation with the Chief Executive's Office and the relevant bureaux, I would like to respond to the remaining parts of the question raised by Mr Kenneth LEUNG on behalf of the Administration as follows:

- (a) All politically appointed officials need to undergo extended checking. The Administration will provide extended checking

questionnaires to prospective candidates for nomination to become politically appointed officials. The content of this questionnaire is the same as the one being used in the Civil Service. The subject undergoing extended checking needs to fill in his/her detailed personal particulars, education background, social activities, employment history, family members, and so on. The subject also needs to nominate two referees to facilitate understanding of his/her background, work, family and other relevant situations. The police are responsible for the checking. Inputs from other law-enforcement agencies will be sought as necessary. The checking comprises interviews with the subject, his/her referees and supervisors as well as record checks.

The effectiveness of the extended checking system is based on trust and co-operation of all the parties involved. It is therefore essential to uphold strict confidentiality of the stipulated arrangement or case content, or the relevant detailed information of the checking system.

- (b) According to the requirements of the PAO Code, politically appointed officials shall observe the highest standards of personal conduct and integrity at all times; ensure that there is no actual or potential conflict between his official duties and personal interests; avoid putting themselves in a position where they might arouse suspicion of dishonesty, unfairness or conflict of interest; refrain from handling cases with actual or potential conflict of interest; and report to the Chief Executive any private interest that may influence, or appear to influence, their judgment in the performance of their duties.

According to the requirements of the PAO Code, politically appointed officials of all ranks shall declare their different kinds of investments and interests by filling in the prescribed form. The open parts of their declarations are placed on the websites of their respective offices/bureaux for public inspection. The relevant parts also require the politically appointed officials to provide the names and occupations of their spouses. In the confidential parts of the declarations, politically appointed officials of all ranks are required to provide the names of the organizations which their spouses work for.

Apart from the above, politically appointed officials, as public officers, would be prosecuted if found committing the common law offence of misconduct in public office. At the same time, politically appointed officials are regarded as "prescribed officers" under the Prevention of Bribery Ordinance (Cap. 201) (the POBO). They are therefore subject to the relevant provision in the POBO applicable to the "prescribed officers". Section 2(2) of the POBO states that a person is soliciting or receiving an advantage if he, or any other persons acting on his behalf, directly or indirectly demands, invites, asks for or indicates willingness to receive, any advantage, whether for himself or for any other person. To remind the politically appointed officials, the relevant provision is included in the PAO Code.

- (c) The current declaration system requires politically appointed officials of all ranks to declare their investment, shareholding or direct or indirect interest in any company; their directorships, proprietorships or partnerships in any company; and, if any, the specific details concerning their participation in any private company's affairs. They are also required to declare any investment and interest held by himself/herself or in the name of his/her spouse, children or other persons, agents or companies, but are actually acquired on his/her account or in which he/she has a beneficial interest. As mentioned in part (b) of my reply, the names and occupations of the spouses of politically appointed officials of all ranks are mandatory items to declare.

Politically appointed officials of all ranks are responsible for ensuring that their declarations made according to the requirements of the PAO Code are accurate.

**MR KENNETH LEUNG** (in Cantonese): *Is the PAO Code applicable to members of the Executive Council; if not, what system is in place to monitor Members of the Executive Council?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, concerning Mr Kenneth LEUNG's supplementary question, the PAO Code stipulates that the requirements are applicable to

politically appointed officials (that is, Principal Officials), the Director of the Chief Executive's Office, Under Secretaries and Political Assistants. With regard to Principle Officials, if the official concerned is also a Member of the Executive Council, apart from the PAO Code, of course, they also have to comply with the system for the declaration of interests prescribed by the Executive Council. President, allow me to briefly explain the Executive Council's System for the Declaration of Interests, so as to reply in brief to the supplementary question asked by Mr LEUNG.

The existing System of Declaration of Interests of the Executive Council has the following requirements: First, Members of the Executive Council must declare the land and property owned by them in or outside Hong Kong, including those which are held in the name of Members' spouses, children or other persons or companies but are actually owned by Members; or those which are not owned by Members but in which Members have a beneficial interest.

Second, Executive Council Members must, to the best of their knowledge, give an account of the names of companies (including listed and non-listed companies) or bodies in which Members have, either themselves or with or on behalf of their spouses or children, a beneficial interest in shareholdings of a nominal value greater than 1% of the issued share capital.

Third, Executive Council Members must declare to the Chief Executive on a confidential basis and in greater detail their financial interests.

Fourth, Executive Council Members must declare within 14 days the acceptance by them (or their spouses) of any financial sponsorship or gifts in relation to their Executive Council membership.

Finally, in the event of having any other close or substantial interests at stake, which if known publicly will lead reasonable members of the public to think that an Executive Council Member's advice may have been motivated by personal interests or involvement rather than by the duty to give impartial advice, the Executive Council Member concerned must also declare his interests in them.

**MR CHAN KIN-POR** (in Cantonese): *President, the Secretary pointed out in the main reply that all politically appointed officials must undergo extended checking. Society looks for ever higher requirements and standards on the*

*integrity and conduct of politically appointed officials. Apart from monitoring the conduct of appointed officials, the mass media also frequently include the commercial activities that see the involvement of the spouses of appointed officials in their scope of scrutiny, so as to uncover news and sensational scoop. May I ask the Government if the present extended checking on politically appointed officials can yield adequate understanding of the background of the spouses of politically appointed officials and the commercial activities in which they are involved, so that the Government can defuse these political bombs early?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, thanks to Mr CHAN Kin-por for his supplementary question. As I reported in my main reply, the first step in carrying out extended checking is to request the subject to fill in his/her detailed personal particulars, education background, social activities, employment history, family members, and so on. In fact, the number of pages of the relevant questionnaire is quite impressive and the details requested are also very extensive. The amount of information that has to be filled in and reported is also considerable.

As I said just now, the police are responsible for the extended checking after the completed form is submitted, and the professional departments would carry out the relevant checking independently and in a professional manner. As I said just now, the checking comprises interviews with the subject, his/her referees and supervisors as well as record checks. Inputs from other law-enforcement agencies will be sought as necessary. When the police and other professional departments carry out the checking, they would do so stringently, as is their usual practice, and interview various people and check various types of information when necessary.

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

**MR CHAN KIN-POR** (in Cantonese): *My question is: On the checking focusing on the spouse of the subject, is there any particularly in-depth monitoring?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, of course, in the questionnaire for extended checking, the

subject is required to include information on his/her spouse in the information on family members if applicable. In the information on the spouse available for public inspection, the name and occupation of the spouse are included, whereas the confidential part includes the name of organization in which the spouse works. All these have to be reported. In this process, the police and law-enforcement agencies will carry out checking when necessary having regard to individual circumstances.

**MR SIN CHUNG-KAI** (in Cantonese): *President, regarding the information that the subject must report, as spelt out in part (a) of the main reply, there was no mention of investment activities and only such information as social activities, employment history and family members was included. I believe the information on investment activities should also be included, should it not? Should the Administration not clarify this?*

*In addition, does the questionnaire for extended checking require politically appointed officials and their spouses to disclose if they are involved in any illicit conduct, including the conversion of flats into "sub-divided units" or the existence of unauthorized building works?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, in the main reply, I have already tried my best to give Members a brief account of the questionnaire for extended checking and the work relating to checking but as I pointed out in the main reply, some specific arrangements, the details of the cases and the detailed information must be kept confidential. This is because the extended checking system hinges on the trust and co-operation of all the parties involved, including the party conducting the check, the subject and the referees consulted. I believe the relevant information and details must be kept confidential, so it is not advisable to make further disclosure here.

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



**MR SIN CHUNG-KAI** (in Cantonese): *President, my supplementary question is very specific and does not involve individuals. It only asks if the relevant questionnaire covers investment activities and illicit conduct.*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, perhaps let me put it this way: all politically appointed officials must make a detailed declaration of all investment activities (in particular, those in which they have interests. The PAO Code also strictly requires politically appointed officials to observe the highest standards of personal conduct and integrity, including showing leadership, compliance with law and order and setting good examples. There are strict requirements in this regard. Apart from the references to the aforementioned requirements in the introduction to the PAO Code, the whole Code also forms part of the employment contract. If there is any violation of the Code, apart from enforcing the law, the Administration would also regard such violation as a breach of contract and pursue responsibility in accordance with the provisions relating to the breach of contract.

**MR SIN CHUNG-KAI** (in Cantonese): *My supplementary question is very clear. What I asked is: Does the questionnaire mentioned in part (a) of the main reply request prospective candidates for appointment as politically appointed officials to disclose if they are involved in any illicit activities?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, in fact, the whole extended checking covers matters that are reported in the questionnaire and as I said just now, they include the requirement to fill in detailed personal particulars and the scope of personal particulars can be very extensive. In addition, the police would conduct a detailed interview with the subject and in the course of this interview, they would touch on various matters on which extensive checking is required if necessary. However, concerning the very specific question asked by Mr SIN Chung-kai just now, it is not advisable for me to reply to it here.

**MR CHAN HAN-PAN** (in Cantonese): *President, what the Secretary said just now has to do more with how conflicts of interests can be avoided before officials*

*take office and when they are in office but in fact, problems can also arise after officials have retired from office. How does the Government prevent politically appointed officials from being involved in controversies relating to conflict of interests or transfer of benefits after they have retired from office?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, politically appointed officials must undergo extended checking before taking office and as I said just now, during their term of office, they also have to make declarations in many circumstances. In addition, the PAO Code also stipulates that politically appointed officials should avoid conflict of interests or transfer of benefits after retirement from office. For example, within one year after retirement from office, before commencing any employment, becoming a director or a partner in any business or profession or starting any business or profession on his own account or with others, politically appointed officials shall seek the advice of a committee appointed for this purpose by the Chief Executive. The proceedings of the committee are confidential but the advice given shall be made public. I believe Members may have come across instances of the committee expressing its views on some cases publicly in the past.

The PAO Code also stipulates that within one year after retirement from office, politically appointed officials shall not represent any person in connection with any claim, action, demand, proceedings, transaction or negotiation against or with the Government and within one year after retirement from office, politically appointed officials shall not engage in any lobbying activities on matters relating to the Government. As I said just now, the PAO Code has been included as part of the employment contract and if politically appointed officials do not comply with it, the Government can regard them as having breached the contract and take action according to the terms of the contract.

In addition, I also mentioned just now that if politically appointed officials are involved in instances of conflict of interest or even transfer of benefits after retirement from office, the authorities can let law-enforcement agencies carry out investigations and even impose follow-up criminal sanctions in accordance with such relevant legislation as the POBO or the offence of misconduct in public office under common law.

**MR LEUNG YIU-CHUNG** (in Cantonese): *President, the Secretary pointed out in the main reply that the Secretary for Development, as a politically appointed official, must comply with the PAO Code and avoid any conflict of interests. In fact, making these comments are pointless because all people know that they must comply with the PAO Code. The question is whether or not they actually do so. Although the Secretary for Development has explained the case to society through written statements a number of times, as well as meeting the media to answer their queries, the question remains whether or not the Government has accepted that the Secretary for Development did not violate the PAO Code and therefore has not carried out any in-depth investigation. If this is not the case, why have the authorities not carried out any in-depth investigation?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, as I said in the main reply, concerning the case involving the Secretary for Development, since August, he and his wife have disclosed the details relating to the case a number of times. I also stressed repeatedly in the main reply that today, the Administration would not further provide supplementary information or comment on this case.

The Secretary for Development, as a politically appointed official, certainly has to comply with the requirements of the PAO Code and avoid any conflict of interests. As I said in the main reply, I notice that he has undertaken in one of the statements that during his tenure as the Secretary for Development, he and his wife would vanish from the Hong Kong property market, except for personal occupation. He has already given a public account of this matter and regarding the other aspects, I urge Members to be more tolerant as I will not further provide supplementary information or comment on this case.

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

**MR LEUNG YIU-CHUNG** (in Cantonese): *President, the Secretary has not answered my question. I am not asking the Secretary to tell me how the future situation would be like .....*

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

**MR LEUNG YIU-CHUNG** (in Cantonese): ..... *the so-called "vanish from" refers to the future but I am asking about the past. Is the Administration satisfied that the Secretary for Development did not violate the PAO Code on account of the statements issued by him and the replies given by him at his meeting with the mass media, so it is not going to carry out any further investigation? The Secretary has not answered my supplementary question.*

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

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, I have nothing to add but I can stress again that as I said in the final part of my main reply, be it Secretaries, Under Secretaries or Political Assistants, the responsibility all rests on the politically appointed officials themselves. A politically appointed official must ensure that the information declared by him according to the PAO Code is accurate and he also have the responsibility to ensure that any reference to the details of a case, the clarifications or undertakings made by him to the public in the past, at present or in the future are all upheld with dignity. I believe that politically appointed officials, as the highest-ranking officials in the Government, must be very serious about these clarifications and undertakings. If there is any inaccuracy, all the responsibility must be borne by the politically appointed official concerned.

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

### **Assistance to Facilitate Development of Hong Kong Enterprises on the Mainland and Overseas**

3. **MR CHUNG KWOK-PAN** (in Cantonese): *President, at the Legislative Council meeting on 17 October this year, the Chief Executive undertook that the Government would assist the industrial, commercial and professional sectors in removing the obstacles in the course of development in Hong Kong and overseas,*

*and will collaborate with the central or local authorities to resolve the difficulties encountered. Although Members from the industrial and commercial sectors in the past few years repeatedly requested the Government to consider and review afresh section 39E of the Inland Revenue Ordinance (IRO), the Government had all along rejected the requests for reasons based on such principles as "territorial source" and "tax symmetry", and so on. On the other hand, some Hong Kong businessmen on the Mainland have told me that Hong Kong enterprises in the Pearl River Delta are suffering from the severe blow of various negative factors, such as contraction of markets in Europe and America, escalating wages on the Mainland and rising costs of currency exchange, as well as the urgency in restructuring of industries, and so on. In this connection, will the Government inform this Council:*

- (a) in order to honour the principle of appropriately proactive governance, whether the Government will proactively discuss, based on the spirit of taking special measures for special problems and adopting the government-to-government approach, with the Mainland authorities ways to remove the obstacles caused by adherence to principles such as "territorial source" and "tax symmetry", and so on, so as to review afresh and amend section 39E of the IRO and other relevant tax policies; if it will, of the details; if not, the reasons for that;*
- (b) whether the Government has specific measures and plans to bring innovation and scientific researches conducted by Hong Kong enterprises on the Mainland into the remit of the tax support policy, and to provide depreciation allowances for the machinery and plants used on the Mainland by Hong Kong enterprises, so as to support the development of Hong Kong individuals and enterprises on the Mainland; if it has, of the details; if not, the reasons for that; and*
- (c) given that some small and medium enterprises (SMEs) have pointed out that as production costs on the Mainland have been rising continuously, they have to rack their brains in recent years to explore opportunities for overseas development, lower costs and enhance productivity, whether the authorities will consider offering more subsidies to SMEs, such as assisting them in investing in overseas regions such as Burma, and so on, to develop industrial*

*parks, so as to enable Hong Kong manufacturers to "go global" and maintain their competitiveness internationally?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, my reply to the various parts of the question is as follows:

- (a) In formulating and reviewing any tax provisions, the Administration has to consider carefully such essential factors as whether the proposed changes would be consistent with the established taxation principles of Hong Kong and whether there would be any possible tax avoidance loopholes. All along, Hong Kong adopts the "territorial source" and "tax symmetry" principles as the fundamental principles in tax assessment. According to the "territorial source" principle, only profits arising in or derived from Hong Kong by carrying on a trade, profession or business in Hong Kong are chargeable to profits tax in Hong Kong. In other words, profits not arising in or derived from Hong Kong are not subject to profits tax in Hong Kong. Under the "tax symmetry" principle, if a Hong Kong enterprise has incurred outgoings and expenses (including specified capital expenditure which has been allowed as deductions under the IRO) in the production of assessable profits in Hong Kong, that Hong Kong enterprise can also claim deductions for such outgoings and expenses according to the IRO. However, if that Hong Kong enterprise has not incurred any outgoings or expenses for the production of assessable profits in Hong Kong, there is neither necessity nor reasonable ground for the enterprise to claim the relevant deductions.

In assessing the tax liability of each taxpayer according to the IRO, the Inland Revenue Department (IRD) adopts the above two fundamental taxation principles for the purpose of tax assessments. The abovementioned simple, fair and effective taxation principles are the unique features of Hong Kong's tax regime, as distinct from many other tax jurisdictions. If we were to substitute the long-held principles of "territorial source" and "tax symmetry", we would have to model on the tax systems of many other tax jurisdictions and to charge taxes on Hong Kong taxpayers for their worldwide income.

This would cause fundamental changes to our tax regime and undermine the competitiveness of Hong Kong as an international financial and business centre. I believe this is not what we envisage, and this also does not serve the overall interest of Hong Kong.

As pointed out in my reply to the written question raised by Dr LAM Tai-fai on 31 October 2012, the Administration had already conducted an in-depth study on section 39E during the last term of the Legislative Council. After examining the relevant taxation principles in relation to the processing activities carried out by Hong Kong enterprises in the Mainland, and taking into consideration the views of the industrial and commercial sector, the accounting sector and tax experts on the matter, we already conducted a review on the relevant matter in 2010.

I wish to take this opportunity to reiterate to the Legislative Council the reason underlying our conclusion that the restriction in section 39E of the IRO should not be relaxed. Under the "import processing" mode, Hong Kong enterprises engaging in "import processing" are only involved in trading activities in buying/selling of goods (not manufacturing activities). As such, they would only be liable to profits tax in Hong Kong for taxable profits derived from their trading activities. The relevant machinery or plant is solely used by the Mainland enterprises (being separate legal entities) in their manufacturing activities. The profits thus generated from the manufacturing activities are wholly derived from the Mainland and liable to the Mainland tax.

Any relaxation of section 39E to the effect that depreciation allowance in Hong Kong would be provided to such machinery and plant would not only violate the "territorial source" and "tax symmetry" principles, but may also be perceived as encouraging transfer pricing, which would affect the taxing rights of Hong Kong and other tax jurisdictions (including the Mainland). This would not be in line with the international principles and guidelines for handling transfer pricing and Hong Kong may be regarded as a harmful tax competitor. As a matter of fact, we have exchanged

views with the State Administration of Taxation on the issue of transfer pricing and secured their confirmation on the implementation arrangements in the Mainland concerning transfer pricing.

As a result, in view of Hong Kong's established taxation principles of "territorial source" and "tax symmetry", as well as the issues relating to transfer pricing, we have come to the conclusion that it is not justifiable to relax the restriction in section 39E. Since the completion of our review in 2010, we note that the industry has raised requests relating to the matter from time to time. In this regard, we would be pleased to continue our effort in explaining to the industry the Administration's stance.

- (b) As regards expenditure on research and development (R&D) incurred by enterprises, section 16B of the IRO allows deduction by a person carrying on any trade, profession or business for expenditure incurred on R&D related to that trade, profession or business. Where any expenditure, which qualifies for deduction under section 6B, is incurred outside Hong Kong, full amount of the expenditure is allowable as a deduction under section 16B if the relevant trade, profession or business is carried out solely in Hong Kong. However, if the relevant trade, profession or business is carried out partly in and partly out of Hong Kong, the IRD would consider the activities of that trade, profession or business in totality to arrive at a reasonable deductible proportion of such expenditure, which relates to the production of chargeable profits in Hong Kong.
  
- (c) For the development of SMEs, the Commerce and Economic Development Bureau has been implementing various measures to support their development, assist them in moving up the value chain and upgrading and restructuring their operations. The Government provides various support measures to SMEs, including financial support, such as the "SME Loan Guarantee Scheme", "SME Export Marketing Fund" and "SME Development Fund" administered by the Trade and Industry Department as well as the newly implemented \$1 billion "Dedicated Fund on Branding, Upgrading and Domestic Sales"; the "Innovation and Technology Fund" and



"Research and Development Cash Rebate Scheme" administered by the Innovation and Technology Commission; and the "DesignSmart Initiative" of Create Hong Kong.

As regards assistance for Hong Kong enterprises in expanding overseas, the Government will continue to organize through the Hong Kong Trade Development Council various promotional activities, such as trade missions and exhibitions, to enable enterprises to better understand the investment environment and development potentials of the emerging markets. If Hong Kong enterprises are interested in expanding their business overseas, for example, by setting up an overseas industrial park, the Government would be pleased to convey their concrete proposals to the relevant authorities for consideration. The Government will closely monitor changes in the economy and review the various support measures for SMEs, with a view to maintaining their competitiveness in the international market.

**MR CHUNG KWOK-PAN** (in Cantonese): *President, the current-term Government always mentions appropriately proactive governance and stated that it will assist manufacturers in upgrading and restructuring. However, investment must be boosted for upgrading and restructuring by, for instance, process computerization or automation which necessitates investment in new machinery. If the Government encourages and supports upgrading and restructuring, why does it not change its mindset and give substantive support in the context of the tax regime?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Regarding the supplementary question raised by Mr CHUNG, we have actually explained numerous times before. Simply put, insofar as the "territorial source" and "tax symmetry" principles are concerned, if an activity is subject to profits tax in Hong Kong, some expenses can be deducted from the tax. This taxation principle is quite fundamental. If we look at the controversy surrounding section 39E, the major issue arising from "contract processing" and "import processing" concerns whether some separate legal entities engaging in production activities on the Mainland can be allowed relevant deductions. As

we have explained before, no deductions are allowed under such circumstances, because our principles will thus be violated. Certainly, the commercial sector or the industry may organize their business operations by different means. Nevertheless, I wish to emphasize that it must be determined clearly under our taxation principles under what circumstances tax assessment or deductions can be made, President.

**IR DR LO WAI-KWOK** (in Cantonese): *Part (b) of the main question raised by Mr CHUNG kwok-pan is targeted at a policy issue regarding whether Hong Kong enterprises conducting scientific research on the Mainland can receive tax support from the Special Administrative Region (SAR) Government. Although my supplementary question is also related to scientific research, its scope is even broader. It concerns not only Hong Kong enterprises on the Mainland, but also whether the expenses incurred by Hong Kong enterprises in scientific research can benefit from the tax concession policy.*

*In fact, in order to encourage Hong Kong enterprises to enhance their input in R&D and encourage Hong Kong to move towards a knowledge-based economy, many people in the industrial, commercial and professional sectors have been advocating over the years that expenses on R&D can enjoy tax concessions, such as a double or triple tax rebate. Even Mr LEUNG Chun-ying, the Chief Executive, has made a similar commitment in his electoral manifesto. Hence, the supplementary question I would like to put to the Secretary is: Is the SAR Government prepared to introduce this tax concession to encourage Hong Kong enterprises to conduct scientific research and whether a specific proposal and timetable are already available?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Regarding the supplementary question raised by Ir Dr LO, as I pointed out in the main reply just now, deductions under section 16B of the existing IRO cover a lot of expenditure on R&D. The provision *per se* is very broad, including scientific research activities, feasibility studies, market research, and any original and planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and so on. The coverage of expenses deductible under section 16B is very broad indeed.

In the past, the industry had queried whether 100% deduction on expenses was enough and whether double or triple deduction was in order. I would like to point out that this is a major issue, because the exemptions provided in section 16B at present are already very lenient. Is double or triple deduction in order? This will affect our tax revenue and might possibly lead to some loopholes or some activities we do not wish to include being exploited by enterprises for deduction purposes. There are many considerations in this regard.

With reference to some overseas experience, we find that, unlike Hong Kong where a lax approach is adopted, many restrictions are imposed in places where double deduction is practised. For instance, certain places are subject to the restriction that double or triple deduction is allowed only when research is conducted jointly with certain universities. Such deductions are subject to a lot of restrictions, and the scope is very narrow, too. Hence, in weighing whether this measure should be adopted, we must consider Hong Kong's taxation situation, fiscal revenue and the feasibility of the measure and, having regard to the design in other places, conduct some in-depth studies before we can come up with an answer in this regard.

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

**IR DR LO WAI-KWOK** (in Cantonese): *Yes. The reply given by the Secretary in this respect seems not at all clear because I have asked very clearly whether the Secretary has come up with a specific proposal and timetable regarding double or triple tax rebates for expenditure on scientific research. If the Secretary has not done so, has a study been commenced in this regard? I am not expecting a general reply.*

**PRESIDENT** (in Cantonese): Ir Dr LO, the Secretary has given a very clear reply in accordance with the Government's prevailing policy. If you disagree, you may follow up the matter with the Secretary on other occasions.

**MR SIN CHUNG-KAI** (in Cantonese): *President, in reply to the supplementary question raised by Ir Dr LO just now, the Secretary actually mentioned the reference in section 16B(4) of the IRO to some approved research institutes, so to speak. Will the Secretary consider adding some approved research institutes — I believe some universities or the Applied Science and Technology Research Institute (ASTRI) should be included — to the list? If industries in Hong Kong can invite these universities or the ASTRI (including institutes in the Science Park) to conduct research, they will be able to enjoy double deduction. Is it possible for the Government to introduce some concrete measures in this regard while ensuring the measures will not be abused? Is it feasible? Will the Government initiate a review having regard to this?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Mr SIN was right that several conditions have to be met for deductions provided in section 16B, including that the relevant payments for R&D are made to an approved research institute and the relevant R&D is undertaken by the taxpayer himself and related to his own trade, and so on.

The existing scope of approved research institutes is quite broad, including any university, college, institute, association or organization. However, the scope is also subject to the restriction that any of these universities, colleges, institutes, associations or organizations must have received approval in writing by the Commissioner of Inland Revenue for the purposes of section 16B. As regards the question of whether further studies will be conducted in this regard, I will listen to the suggestions of the industry.

**MR CHARLES PETER MOK** (in Cantonese): *President, I would also like to follow up tax concessions in relation to, in particular, such trades as innovation and technology, because insofar as Hong Kong's present economic development is concerned, the ratio of R&D to Hong Kong's Gross Domestic Product is the lowest among developed regions, and some measures are therefore necessary. In this regard, money being the most practical incentive can encourage such activities.*

*The Secretary has failed to give a concrete reply to the supplementary questions raised just now by Ir Dr LO and Mr SIN regarding, for instance,*

*whether or not relevant schemes are in place. Mr SIN has even proposed that certain restrictions may be imposed by some means, with a view to implementing the relevant measures to enable the relevant institutes to enjoy some helpful tax concessions. Hence, my supplementary question is: Such being the case, will the Secretary consider consulting the industry once again, with a more open attitude to find out what is feasible and examine how to take the first small step to proceed slowly to broadening tax concessions in this regard, in order to encourage local enterprises and the commercial sector — not restricted to the academic sector, research institutes or the public sector — to really pitch in and engage in R&D?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, in response to the suggestions made by the industry in the past, the Government has already set up a "Research and Development Cash Rebate Scheme". Not only was the relevant Scheme launched, it has also been reviewed and relaxed. Certainly, we will continue to listen, on different occasions, to the views put forward by the industry on such matters as taxation, and so on. I welcome the suggestions from the industry.

**MR NG LEUNG-SING** (in Cantonese): *My supplementary question is related to the last paragraph of the Secretary's main reply, in which he mentioned, in relation to overseas expansion by Hong Kong enterprises, for example, by setting up an overseas industrial park, that the Government can convey the concrete proposals put forward by the industry. In this regard, has there been any successful experience in the past and what liability will the Government bear normally in conveying the proposals?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, in this respect, it is regarded as a new attempt. In the past, Hong Kong industries pursued development mainly in the Pearl River Delta (PRD) on the Mainland. Thanks to the efforts by both the Government and the commercial sector in promoting the development of these industries, Hong Kong enterprises have set up many industries in the PRD, thus turning it into a major world factory.

It is certainly a brand new idea for these industries to reach out to the world for development in places other than the Mainland. Of course, in asking this question, Mr CHUNG Kwok-pan might be thinking about, for example, how best promote development can be promoted in this regard. Insofar as the Government is concerned, we are prepared to listen to the concrete suggestions made by the industry regarding this to see what assistance can be offered at the government level.

**PRESIDENT** (in Cantonese): Fourth question.

### **Provision of Evening Out-patient Services**

4. **MR CHAN HAN-PAN** (in Cantonese): *President, given that the general out-patient clinics (GOPCs) under the Hospital Authority (HA) provide evening out-patient services until 10 pm only, members of the public seeking medical consultation in late nights may seek consultation only at private clinics offering overnight out-patient services or the accident and emergency (A&E) departments of public hospitals. However, since only 16 public hospitals across the territory have A&E departments, members of the public seeking medical consultation often have to wait for hours to receive treatment. In this connection, will the Government inform this Council:*

- (a) *whether it will request the HA to enhance the existing evening out-patient services, including extending the service hours to 12:00 midnight and increasing the number of consultation quotas; if it will, of the details; if not, the reasons for that;*
- (b) *whether it will request the HA to implement overnight out-patient services in individual districts on a trial basis, with a view to alleviating the existing pressure on A&E departments; if it will, of the details of the plan; if not, the reasons for that; and*
- (c) *given that some members of the public have relayed to me that as the demand for evening out-patient services is greater in some densely populated districts or districts with relatively more elderly residents (for example, Tin Shui Wai), and there is no A&E department of public hospitals in such districts, great inconvenience has been*

*caused to members of the public, whether the authorities will require the HA to extend the service hours of the evening out-patient services provided in such districts or set up overnight out-patient services there, so as to enable patients to receive timely treatment?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, with respect to Mr CHAN Hang-pan's question, I would like to give a general reply to all the points raised.

Primary care services in Hong Kong are mainly provided by the private sector. Public primary care services including general out-patient services provided by the HA are primarily targeted at low-income groups, elders and chronically ill patients. At present, the HA operates a total of 74 GOPCs in Hong Kong, of which 23 provide evening out-patient services.

Patients under the care of GOPCs comprise two major categories: chronic disease patients with stable medical conditions, such as patients with diabetes mellitus or hypertension, and episodic disease patients with relatively mild symptoms, such as those suffering from influenza, cold, gastroenteritis, and so on. For those with episodic diseases, consultation time slots at GOPCs in the next 24 hours are available for booking through the HA's telephone appointment system. As for chronic disease patients requiring follow-up consultations, they will be assigned a visiting time slot after each consultation and do not need to make separate appointments by phone.

In 2011-2012, the 74 GOPCs under the HA have recorded around 5 million attendances involving more than 1.3 million patients. Over 90% of the target users of general out-patient services, including elders and recipients of Comprehensive Social Security Assistance and medical fee waiver, were able to secure a consultation time slot successfully through the telephone appointment system within two working days.

To improve public primary care services, enhance support for chronic disease patients and raise the public's awareness of health issues, the Government has in recent years rolled out a series of primary care services through the HA to strengthen the management of chronic diseases. These include the provision of health risk assessments and follow-up care for patients with diabetes mellitus or

hypertension, and so on, by multi-disciplinary teams at GOPCs, and targeted treatment services for high-risk chronic patients by nurses and allied health professionals such as physiotherapists, occupational therapists and pharmacists. Through these measures, it is hoped that the risk of complications and the need for consultations can be reduced for chronic patients, thereby releasing consultation time slots for patients with episodic diseases. At the same time, the HA has been taking steps to renovate the premises and upgrading facilities of GOPCs to streamline patient flow and improve the clinics' environment. It is also trying to recruit additional staff as far as possible to increase the service capacity of GOPCs.

Regarding Tin Shui Wai, the Government and the HA have over the years introduced various measures to enhance public healthcare services in the area. In February this year, the first community health centre (CHC) in the territory, which is located at Tin Yip Road, Tin Shui Wai and designed according to our primary care development strategy and service delivery model, came into operation to provide one-stop primary care services including general out-patient as well as nurse and allied health services for the public. The HA envisages that the new CHC, together with the existing Tin Shui Wai Health Centre at Tin Shui Road, will be able to provide over 200 000 attendances of general out-patient services for the district on a yearly basis. The HA has also launched the Tin Shui Wai Primary Care Partnership Project since 2008, under which patients suffering from specific chronic diseases with stable medical conditions in need of follow-up treatment at the Tin Shui Wai GOPCs can opt to receive out-patient services from private medical practitioners in the district with subsidies from the Government. This Project has now been extended to the entire Tin Shui Wai area, benefitting some 1 600 patients. At present, 24-hour A&E services are available at Pok Oi Hospital in Yuen Long. The planned Tin Shui Wai Hospital, which is scheduled to come into operation in 2016, will also provide A&E and other services including specialist out-patient services and ambulatory services to address the healthcare needs of the district.

As GOPCs are not intended for provision of emergency services, patients with severe and acute symptoms should go to A&E departments of hospitals where the necessary staffing, equipment and ancillary facilities are in place for appropriate treatment and comprehensive care. To ensure efficient use of GOPC resources, extending general out-patient services into the small hours or providing overnight services is not cost-effective and would create greater pressure on



healthcare staffing. At this point, the Administration has no plan to operate general out-patients services at late nights or round-the-clock.

The HA will continue to implement measures to enhance general out-patient services, including strengthening its staffing, renovating and expanding existing GOPCs, upgrading clinic facilities, and so on. It will also closely monitor the operation and service utilization of GOPCs, and deploy manpower and other resources flexibly to enhance the efficiency and quality of general out-patient services for meeting patients' needs for public primary care services.

**MR CHAN HAN-PAN** (in Cantonese): *President, the Secretary has not answered my main question. My question is about how to shorten the waiting time at the A&E departments and alleviate the pressure on them. This is because if people go the A&E departments to seek consultation, they will have to wait for four or five hours. Does the Secretary think that this is reasonable?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, first, with respect to A&E departments, we made an arrangement many years ago and that is, we will act on the priority accorded to each patient and treat patients with emergency and serious conditions first. So the waiting time for patients who do not have any serious or emergency conditions will be relatively longer. We have different measures in place to alleviate the situation. For example, we will consider publicizing the waiting time in certain nearby A&E departments which may not be so long, such that members of the public can go there to seek medical consultation. Having said that, the A&E departments have to address the problem of manpower shortage and we hope to hire more medical and nursing staff in this specialist department so that the waiting time in the A&E departments can be reduced further.*

**DR PRISCILLA LEUNG** (in Cantonese): *President, I wonder if the Secretary has ever heard that many elderly persons have said that they have made telephone calls for a number of days to book some public healthcare services but to no avail. So special mention is made in this oral question today on the provision of evening out-patient services which is very important. On the*

*question of addressing this huge demand, have the authorities ever considered deploying medical vans to some remote places to ease this demand for evening out-patient services, especially when we know that many elderly persons are not able to go to a faraway place to seek medical consultation?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I think this supplementary question from Dr Priscilla LEUNG is mainly on seeking medical consultation in the evening. With respect to evening services, our out-patient services are actually not meant to provide emergency services. So if patients really want to seek any emergency treatment, they should go to an A&E department. And A&E departments are meant to serve two types of patients with emergency conditions and so their waiting time is shorter.

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

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

**DR PRISCILLA LEUNG** (in Cantonese): *No, about those medical vans, perhaps I have just .....*

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

**DR PRISCILLA LEUNG** (in Cantonese): *I now repeat my question. Will the authorities consider using medical vans to ease the pressure on A&E departments? In particular, will the deployment of medical vans be considered for remote places during the evenings?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): I believe using this method will face the same problem too. We have a manpower problem regarding the medical and nursing staff. As manpower is in shortage, I think the existing mode of operation would be more cost-effective. If we pull away some

staff and deploy them on medical vans, I am sure the problem of manpower shortage would become more serious in certain more important service areas. So we really cannot consider this method for the time being.

**MR TAM YIU-CHUNG** (in Cantonese): *President, the aim of evening out-patient services is actually to extend the time for out-patient services in the hope of easing the crowdedness in daytime. Of course, if the daytime problem can be solved, this would also be a method. Although the Secretary has just said that manpower will be increased as much as possible in order to reduce the waiting time, the effect of that cannot be seen yet. Therefore, if the consultation hours can be extended, would it help meet the service demand?*

*In addition, many doctors in private practice would not provide any service during the night-time. There are some people who may not have an emergency condition, but they are feeling unwell, worried that they may not be able to endure until the next day. In such circumstances, evening out-patient services are certainly necessary. Now the HA has 74 GOPCs but only 23 of them have evening out-patient services, that is, about one third of the total number of clinics. Is there any plan to increase the number of such clinics and extend the service hours?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, I understand certainly that apart from the services provided now, there are some needs we may not be able to satisfy fully. But as I have just said, when resources are limited and in particular, when manpower is in short supply, there is a need for us to focus our services on those time slots in which we would think there will be more people seeking medical consultation. Now the evening services last until 10 pm. In general, there would be more people seeking medical consultation after dinner time. Then after 10 pm, there will be fewer patients coming to seek medical consultation for some common ailments. If some of these patients are really worried or if their conditions are more serious or if these are emergency cases, they will have to go to an A&E department because there is no alternative. In an A&E department, there will be triage nurses who will take care of the patients and these nurses will sort out those two types of patients who are the most urgent ones. Patients who belong to these two types will be treated in a much shorter time. But patients who are not will have to*

wait in the A&E department. If we are to pull away some of the manpower which is already tight to other places or if we extend the service hours, this I think will thin out the resources.

**DR LEUNG KA-LAU** (in Cantonese): *President, the cost of treatment given to a patient who attends an A&E department of the HA is \$850. This is very costly. However, 70% of those who attend an A&E department are not patients with an emergency condition. In other words, this is a waste of resources.*

*In the past the HA had tried to introduce out-patient service provided by doctors in private practice next to some A&E departments. At that time, the fee charged was about \$200. But as A&E service then was free of charge, there was a big difference between that and a fee of \$200. So the scheme did not work very well. Now a fee of \$100 is charged for A&E service. Since the HA has to face the problem of manpower shortage and the large number of patients who do not have any emergency condition, will the idea of providing out-patient service by doctors in private practice next to an A&E department be reconsidered? For example, the fee can be set at some \$200, and the Government can subsidize \$100 for those poor people. It can be considered as a smart idea because the cost will not be \$850 and it can also ease the pressure exerted on the A&E departments. My supplementary question is: Can this arrangement be tried again?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I have thought about this idea from Dr LEUNG in various points in time. Dr LEUNG was right when he said that some years ago when the A&E service was still free of charge, the Government had tried to offer general out-patient service next to A&E departments. The scheme did not work chiefly because there was no charge for A&E service at that time.

I am open about Dr LEUNG's idea. However, it would not be an easy task to complete either, because there are many factors to consider, like right siting, and so on. As far as I know, the HA may first consider another way and that is, since these patients all want to seek medical consultation in the A&E

departments, it may not be very efficient if the patients are all merged into the work flow of an A&E department by means of triage. So some A&E departments may consider another method and that is, deploying some of their staff in a certain time slot when there are many patients with non-emergency conditions are waiting, and administering treatment to these patients on the other side of the A&E department concerned. This can speed up the flow of treating the patients while not affecting the overall capacity of the A&E department concerned in coping with the needs of those patients with emergency or serious conditions. We would consider this method first. As for the suggestion from Dr LEUNG, I would give it consideration and then at a later stage examine if there is such a need and its feasibility.

**DR LEUNG KA-LAU** (in Cantonese): *I have not heard from the HA that this method would be adopted. Could you ask the HA to provide some relevant papers on the new idea and the arrangements concerned?*

**PRESIDENT** (in Cantonese): Secretary, can you provide the supplementary information?

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, yes. But when I discussed with the HA on this practice, the HA was still considering the details and whether this method would work and what the work flow concerned was. (Appendix I)

**MR WU CHI-WAI** (in Cantonese): *President, the Secretary has given a reply to a supplementary question I also wanted to ask. I notice that in most of the time, the A&E departments have to face patients with no emergency conditions. The Secretary has just pointed out that he would consider making some flexible manpower deployment arrangement to improve the situation. I welcome this idea. I hope that when the Secretary is to consider this practice, he can also consider the service delivery mode for the Tin Shui Wai Primary Care Partnership Project because the same principle will also apply to further reduce*

*the waiting time for A&E service while also serve to pool the resources. May I ask what the idea behind this practice and the timetable for implementing it is?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): Sorry, I would like to know more about the supplementary question from Mr WU.

**PRESIDENT** (in Cantonese): Mr WU, please state clearly the timetable you are referring to.

**MR WU CHI-WAI** (in Cantonese): *First, the Secretary has just answered a question I wanted to ask and that is, .....*

**PRESIDENT** (in Cantonese): You do not have to repeat that, you need only repeat your supplementary question.

**MR WU CHI-WAI** (in Cantonese): *May I ask the Secretary when that scheme will be put into practice?*

**PRESIDENT** (in Cantonese): Which scheme are you referring to?

**MR WU CHI-WAI** (in Cantonese): *It is about the A&E departments .....*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): Is it about staff deployment?

**MR WU CHI-WAI** (in Cantonese): *..... about flexibly deploying the staff to provide non-emergency service.*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): With respect to this question, as I have just said, I have talked with the HA and once the HA has come up with a clear decision, I will explain the details to Members as soon as possible about how these are to be put into practice.

**MR LEUNG CHE-CHEUNG** (in Cantonese): *President, in the Secretary's reply to a supplementary question asked earlier, some patients with non-emergency conditions would often go to the A&E departments and this exerts great pressure on the A&E service. Likewise, I find that in some remote areas like Tin Shui Wai, the number of healthcare personnel is inadequate. May I ask the Secretary, with respect to the HA or the Government, if there is any way to increase healthcare personnel in large numbers or in a suitable manner so as to solve the problem of long waiting time in the A&E departments mentioned by Members earlier?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, on the whole, the problem of manpower shortage now exists in certain specialties and A&E is one of them. On this problem of manpower shortage, first, I have discussed with the HA about the many ways of solving it, such as improving the working conditions of doctors in the hope of retaining doctors and reducing the wastage rate.

In addition, the HA has been taking active steps over the past couple of years to hire some part-time doctors. These doctors include those who work in private clinics and they are hired on a part-time basis. The method of giving additional allowance is also used to increase the working hours of some doctors in the HA. For the time being, these are the methods we can use to ease the manpower shortage. I would not rule out another way which the HA may use and that is, to resort to limited registration so that doctors not registered in Hong Kong can be hired. This can hopefully further alleviate the manpower shortage problem. In the long run, the medical schools in Hong Kong have increased their enrolment during the past couple of years. I hope that in the next few years, this problem of shortage of healthcare personnel can be further eased.

**MR YIU SI-WING** (in Cantonese): *President, in view of the fact that the Tin Shui Wai hospital can only be commissioned in 2016 and it is only by then that A&E service can be provided, may I ask, during this four-year interim, if consideration can be given to collaborating with private clinics and charging patients seeking consultation according to government standard fees in order to solve the problem of A&E service in Tin Shui Wai?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, about our services in Tin Sui Wai, I have mentioned in the main replay that a pilot scheme is now underway, whereby the HA subsidizes the fees paid by some patients when they go to consult a private doctor. I have also said earlier that we have two schemes in place to enhance the primary care services in Tin Shui Wai, so I will not repeat them now.

Also, the Elderly Health Care Voucher Scheme is another idea. Some people have asked us about this Scheme and they want to know why the elderly persons are not allowed to seek medical consultation in public hospitals. Our aim is precisely to give an incentive to more people to make use of these vouchers and consult a private doctor, especially regarding some primary and preventive services or care services. At present, the Elderly Health Care Vouchers only have a total value of \$500, but we plan to increase the value of the vouchers to \$1,000 in next January. We hope that this Scheme can be further enhanced so that the elderly persons can consult a private doctor when necessary, thereby reducing the pressure on public hospitals.

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

### **Toilets in Public Places**

5. **DR HELENA WONG** (in Cantonese): *President, long queues are often seen in female toilets in public places. In a paper submitted to the Legislative Council in February 2012, the authorities proposed to amend the relevant building regulations. The proposed amendments include enhancing the standard of provision of sanitary fittings, taking into account the assessed*



*numbers of male and female users in different types of venues, and adopting a ratio of 1:1.5 (replacing the current ratio of 1:1) for assessing the numbers of male to female in the premises. On the other hand, it has been learnt that legislation was proposed in the United States Congress in 2010 demanding that the male-to-female (M/F) toilet compartment ratio be increased to 1:2, and Taiwan introduced in 2010 legislation requiring the M/F toilet compartment ratio in cinemas and bus stations not lower than 1:5. In addition, some members of the public have pointed out to me that toilets in public places also lack facilities which allow family members of different genders to take care of infants, the elderly and children in using toilets. Regarding toilets in public places, will the Government inform this Council:*

- (a) of the latest work progress of the aforesaid legislative amendments, and the expected time for submission of the amendment regulations to the Legislative Council;*
- (b) given that, as mentioned above, the current M/F toilet compartment (including urinals) ratio in Hong Kong is lower than the ratios in other regions, coupled with the facts that women outnumber men in Hong Kong's population and that females usually use toilets for a longer time than males do, whether the authorities will consider further increasing the M/F toilet compartment ratio to not lower than 1:2; and*
- (c) whether the authorities will consider introducing legislation to improve the facilities in male and female toilets in public places, for example, installing handrails, coat hooks, skid-proof flooring, as well as facilities which will allow family members of different genders to take care of infants, the elderly and children in using toilets, so as to implement family-friendly policies; whether they will consider making reference to overseas examples and studying the provision of stand-alone unisex sanitary facilities, so as to facilitate those users who need to take care of family members of the opposite gender; if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines)

Regulations, Cap. 123I, (the Regulations) set out the minimum standards for the provision of sanitary fitments, plumbing and drainage works in private buildings. Under the Regulations, the provision of male and female sanitary fitments in private buildings is based on the assessed number of male and female users of the premises. For places of public entertainment and cinemas, the present Regulations prescribe, for the purpose of determining the provision of male and female sanitary fitments, a ratio of 1:1 for assessing the number of male to female in the premises.

The Buildings Department (BD) has commissioned a consultant to carry out a comprehensive review of the Regulations and conducted field surveys on the use of sanitary facilities in various public places in Hong Kong. In view of public concerns on the inadequate provision of female sanitary fitments in public places, the BD has, after taking into account the consultant's recommendations, promulgated the "Practice Note for Authorised Persons and Registered Structural Engineers" in May 2005. The Practice Note recommended to the building industry that for the purpose of assessing the number of male to female in shopping arcades, department stores, cinemas and places of public entertainment in new private developments, the male to female ratio should be raised from the statutory 1:1 to 1:1.25, thereby increasing the provision of water-closet fitments for female.

Between 2005 and 2008, the BD conducted extensive consultation with the building industry and various stakeholders on the consultant's recommendations. Taking into account the views received and in response to some stakeholders' aspirations for increasing the provision of female sanitary facilities, the BD further improved the proposal by further increasing the ratio to 1:1.5 for assessing the proportion of male to female users in shopping arcades/department stores, cinemas and places of public entertainment, thus increasing the provision of female toilets and providing greater convenience for female users in these public places.

In February 2012, we submitted a paper to the Legislative Council Panel on Development, outlining our proposal for an overhaul of the Regulations. The proposal covered a wide range of aspects, including not only a proposal for enhancing the standards for the provision of female sanitary fitments in public places, but also the repeal of obsolete provisions as well as the replacement of the existing prescriptive standards by performance-based requirements for the sake of

keeping up with new and changing building technology. The oral question raised by Dr Helena WONG today gives me an opportunity to report on the latest progress of our work.

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

- (a) At the meeting of the Legislative Council Panel on Development held on 28 February 2012, Members in general supported the Administration's proposal for increasing the provision of female sanitary fitments in public places. However, some Members expressed concern, particularly on whether the Administration's proposed increase in the ratio from the statutory 1:1 to 1:1.5 for assessing the number of male to female in shopping arcades, department stores, cinemas and places of public entertainment would result in gender discrimination against men. In accordance with the Panel's suggestion, we have already sought legal advice on the issue. I am pleased to report that, after careful examination of our proposed legislative amendments and the relevant justifications, the Department of Justice has advised that the proposed enhancement in the level of provision of female sanitary fitments in public places should not lead to less favourable treatment of men, and hence should not give rise to allegations of gender discrimination.

Since the legal issue has now been clarified, we are making preparations for amending the Regulations. Given the extensive scope and the complexity of the proposed amendments, it is expected that we need to take some time for drafting the Amendment Regulations. We will expedite the work and should aim at submitting the Amendment Regulations to the Legislative Council for vetting within the current legislative year.

Pending the introduction of the Amendment Regulations, the BD is updating the Practical Notes for Authorised Persons, Registered Structural Engineers and Registered Geotechnical Engineers (Practical Note) along the lines of the legislative amendments, in order to promote early implementation of the enhanced standards for the provision of female sanitary fitments in public places. Apart from the enhancement of the standards of provision of female toilets,

the Practical Note would also provide guidelines on the minimum space requirements for various sanitary facilities in public places. It would also advise the building industry to provide sanitary fitments suitable for use of children, as well as unisex toilets in the design of such premises. Since consultation with the building industry is nearing completion, the BD aims to issue the revised Practical Note within this month for early adoption of the recommendations by the building industry before implementation of the Amendment Regulations.

- (b) Under the Regulations, the provision of male and female sanitary fitments in private buildings is based on the assessed number of male and female users of the premises. In drawing up the proposed increase in the male to female ratio from the statutory 1:1 to 1:1.5, we have completed a comprehensive review on the findings of empirical surveys of the provision of sanitary fitments in various premises, the level of usage, queuing time, usage time and level of user satisfaction. In parallel, we have studied the projected gender ratio of the population published by the Census and Statistics Department and the standards adopted in overseas countries. We have also consulted various stakeholders, including the building industry and women organizations.

Under the new proposal, the provision of female toilets in shopping arcades/department stores, cinemas and places of public entertainment will, on average, increase by about 60%, 160% and 185% respectively. According to the consultancy study commissioned by the BD, the increase would reduce the waiting time to an average of about one and a half minutes for female toilet users.

- (c) As mentioned above, the Regulations set out the minimum standards for provision of sanitary fitments, plumbing and drainage works in private buildings. As regards the other facilities mentioned in the question, such as handrails, coat hooks, skid-proof flooring, as well as facilities which will allow family members of different genders to take care of infants, the elderly and children in using toilets, since these facilities are not directly related to hygiene aspect of buildings,

under present circumstances, we consider it more appropriate for the building industry to provide such facilities having regard to the design and requirements of individual premises. However, if in future the community considers it necessary to enact legislation to set out the minimum standards, or provide specific guidelines for the building industry, we will keep an open mind and will explore the issues further.

On the suggestion of introducing unisex toilets, the BD's consultancy report specifically pointed out that prior to introducing legislation on provision of such facilities, more in-depth study and research would be required, including consideration of the impact on the sanitary conditions and maintenance of toilets, property management and cultural differences, and so on. Hence, the suggestion will not be incorporated in the proposed amendments to the Regulations at this stage. Nonetheless, as indicated in the first part of my reply, the BD would revise the Practice Note and encourage the building industry to provide unisex sanitary facilities in the designs, in order to provide greater convenience for parents to take care of their children of different genders, or adult users to take care of family members of different genders, in using sanitary facilities.

**DR HELENA WONG** (in Cantonese): *President, I am very glad to hear the Secretary say that the Administration will aim at submitting the relevant legislation to this Council within the current Legislative Session. That said, I still wish to follow up the reply just given by the Secretary, especially on the last few points made by him. According to their assessment, after the provision of female toilets in shopping arcades/department stores, cinemas and places of public entertainment is increased by about 60%, 160% and 185% respectively, the average waiting time of female toilet users will be reduced by 1.5 minutes. With regard to this target, I would like to tell the Secretary that firstly, I consider this assessment questionable. Secondly, is this target too low and can it meet the needs? People who go to shopping malls and department stores are mostly females, and an increase of 60% may still be too small as the current waiting time is 15 to 20 minutes. Secretary, we have taken such great pains to make you submit the legislation to the Legislative Council, and I do not wish that shortly after these legislative amendments are made, you would have to, just as what*

*happened last time ..... The Government increased the ratio for assessing the number of male to female in the relevant premises to 1:1.25 in 2005 but between 2005 and 2008, the ratio was further amended to 1:1.5. In view of this, after making these legislative amendments, the Government may very soon find out that this is still inadequate .....*

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

**DR HELENA WONG** (in Cantonese): ..... *Therefore, I hope that you can reassess the increase and the standard, and tell us why females have to wait for 1.5 minutes whereas males do not have to wait. Is this discrimination against females? Second .....*

**PRESIDENT** (in Cantonese): Dr WONG, you can only ask one question, and you have already asked it.

**DR HELENA WONG** (in Cantonese): *OK.*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, first of all, I wish to clarify that I do not mean that their waiting time will be reduced by 1.5 minutes. I said that the target is to reduce the average waiting time to 1.5 minutes. In fact, male toilet users sometimes have to wait too, depending on the premises. So, in this respect, after making reference to the recommendations of the consultant and the views collected during consultation, we consider that we should take this step first by enhancing the facilities to meet this standard first. If the circumstances in future make people think that there is still room for further improvement, we will consider it with an open mind.

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

**DR HELENA WONG** (in Cantonese): *President, what I wish to say is that his assessment can never meet the objective, and females will not accept this standard .....*

**PRESIDENT** (in Cantonese): Dr WONG, you have already expressed your views and repetition is unnecessary. If you think that the Secretary has not answered your question, please repeat your supplementary question.

**DR HELENA WONG** (in Cantonese): *..... I would like to ask the Secretary why females have to wait for 1.5 minutes.*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): Insofar as this point is concerned, President, I have nothing to add, but I can provide an example to Members. Under the existing legislation, a shopping arcade of 3 500 sq ft in area is required to provide six female water-closet fitments, and the male to female water-closet fitment ratio is 1:0.8. Under the proposed amendments, the number of female water-closet fitments will increase to 11 in a shopping arcade of the same size in future, which is almost double the existing number, and the male to female water-closet fitment ratio will be 1:3.1. In respect of sanitary facilities, the ratio will also increase considerably from the original 1:1.08 to 1:1.8.

**MR JAMES TIEN** (in Cantonese): *President, I support this proposal to increase the number of female toilets. It is because whenever I come out of the men's room in many places, such as the Hong Kong Cultural Centre in Tsim Sha Tsui, Mrs TIEN is always still in the queue. I have this question for the Government. After the proposed legislative amendments are brought into effect, while the newly-completed buildings can certainly meet the standard, what is the situation of the old buildings, such as the Hong Kong Cultural Centre in Tsim Sha Tsui that I have just mentioned? After the legislative amendments are implemented, can conversion works be carried out in all the old places of public entertainment? I am particularly referring to government buildings as it may be more difficult for such works to be carried out in private buildings. Will conversion works be carried out in, for example, the government-owned Hong Kong Cultural Centre,*

*so that they can all meet the standard of 1:1.5 after the implementation of the proposed amendments?*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, generally speaking, the amendments have no retrospective effect on premises developed in accordance with the design requirements in the old regulations. In other words, they are not applicable to old buildings. As regards the question of whether there is room for improvement in some of the government facilities mentioned by Mr James TIEN just now, I will go back and give consideration to this proposal but meanwhile, we must understand that the existing buildings have their own constraints in the physical environment and may not be able to carry out conversion works fully in compliance with the new regulations. After all, they are facilities designed in accordance with the old regulations.

**MR MA FUNG-KWOK** (in Cantonese): *President, my supplementary question is similar to that raised by Mr James TIEN. In many cultural facilities of the Government, the proportion of toilets falls far short of the demand. For performances held in these venues, there is usually an intermission which has a time limit. If the audience cannot resolve their needs within this period of time, they cannot re-enter the theatre for the rest of the performance. So, the demand is all very clear. May I ask the Government whether there are specific measures to improve the present situation as soon as possible, even if they may be just short-term measures?*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, I have noticed the situations mentioned by Mr MA Fung-kwok and Mr James TIEN earlier on. As regards the places where we can do more to provide these facilities, I will look into it with the relevant departments, but generally speaking, the new regulations do not have retrospective effect on the old facilities.

**MS STARRY LEE** (in Cantonese): *President, with regard to the progress made by the Government in this area of work, I, being a female, feel strongly dissatisfied about it and consider it unacceptable. As we can see, the queues in female toilets in shopping malls are very long, and it is common to see husbands*



*waiting while their wives are using the toilet. The problem is most serious in the countryside, as the female toilets in country parks ..... People need to go to the toilet once they get off the car, but even when it is time to leave a tourist attraction and get on the car, people are still waiting in line at the toilet, and it is also common that people cannot use the toilet. In fact, this phenomenon has long existed, and there is indeed a pressing need to address it. May I ask the Government whether it will consider taking the lead to adopt this new standard in designing projects to be developed with government funds in future, including community halls and performance venues that require funding approval from the Legislative Council or toilet renovation projects, so as to facilitate the early implementation of this new standard?*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, the new facilities will certainly be provided in accordance with the new standard. As regards the old facilities, as I have just said, we have clearly heard Members' concerns and suggestions, and we will study them carefully. As for the concern raised by the Member just now, we will report the findings of the relevant study to Members in the Panel on Development later.

**MR WONG KWOK-HING** (in Cantonese): *President, the Secretary said that he noted the inadequate provision of male and female toilets in shopping malls and cultural venues, but did he also note the inadequate provision of toilets in public transport, particularly at stations along the railway lines of the MTR Corporation Limited (MTRCL)? When passengers have an urgent need, they often cannot hold it before the train pulls into the station. In view of such circumstances, may I ask the Secretary through you, President, whether the Government will incorporate railway into the coverage of the proposed amendment regulations, in order to make the MTRCL sense the urgency of the passengers?*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, thanks to Mr WONG Kwok-hing for this suggestion. I will discuss it with the Secretary for Transport and Housing.

**MR ALAN LEONG** (in Cantonese): *President, in fact, the Regulations have never been amended before, and with regard to the ratio of 1:1.25 mentioned in the main reply, it is only a recommendation made in the Practice Note in 2005. I would like to ask the Secretary a question about the second paragraph of part (a) of his main reply, where he mentioned "the extensive scope and the complexity of the proposed amendments". President, may I ask what made the amendments so extensive and complex that the Government has taken so long to consider them before it is willing to amend Cap. 123I by increasing the ratio to 1:1.5.*

**SECRETARY FOR DEVELOPMENT** (in Cantonese): *President, there are a total of 91 regulations in the Regulations, and only part of them is about latrines. The Regulations were enacted in 1959 which was more than 50 years ago, and they warrant updating and amendment in many areas. In the amendment exercise, my Bureau has considered the fact that some regulations are connected with each other and interactive. This is why we have decided to comprehensively revise the Regulations before submitting them to the Legislative Council. We consider that this can update the entire Regulations in a more comprehensive manner on the one hand, and on the other hand, it enables Members to better understand the logic of and connections between the regulations in context when scrutinizing proposals to update the Regulations. As I said in the main reply earlier, we will submit the proposed amendments of the Regulations for vetting by the Legislative Council within the current Legislative Session.*

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

### **Public Remarks Made by Members of Executive Council**

6. **MR WONG YUK-MAN** (in Cantonese): *President, some members of the public have reflected to me that a Member of the Executive Council, CHEUNG Chi-kong, frequently publishes articles in newspaper columns criticizing the democratic camp and the opposition camp, and he has even made remarks targeting at members of Scholarism at a public forum earlier on; moreover, while the Chief Executive was the Convenor of the Executive Council in the*

*Government of the last term, he made remarks from time to time which were in contradiction to the stance of the Government. In this regard, will the Government inform this Council:*

- (a) whether the Executive Council Member's, CHEUNG Chi-kong's, aforesaid articles and remarks reflect the Government's stance and attitude towards individual community groups; if not, why the Chief Executive and the Chief Secretary for Administration have not made clarification promptly to address public concerns;*
- (b) apart from the rule of confidentiality, whether the Executive Council has formulated any guidelines or rules to regulate the public remarks made by the Executive Council Members, and whether the Chief Executive or the Convenor of the Executive Council will openly admonish the Executive Council Members who have breached such guidelines or rules; if such guidelines or rules have not been formulated, of the reasons for that, and*
- (c) given that the media have pointed out that the status of the Executive Council has been undermined and weakened, whether the Government will consider abolishing or restructuring the Executive Council, with a view to economizing on administrative resources and enhancing efficiency in policy implementation?*

**PRESIDENT** (in Cantonese): I have to remind Members that according to Rule 25(1)(a) of the Rules of Procedures, a question shall not include the names of persons. Members should read out the main question according to the text submitted in advance and should not add any content disallowed under the Rules of Procedure.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, first of all, I would like to point out that matters relating to the Executive Council are under the responsibilities of the Chief Executive's Office (CEO) and the Executive Council Secretariat under it. I am also an Executive Council Member myself. I would like to respond to Mr WONG Yuk-man's question on behalf of the CEO as follows:

- (a) Under Articles 54 and 56 of the Basic Law, the Executive Council is an organ for assisting the Chief Executive in policy-making. Except for the appointment, removal and disciplining of officials and the adoption of measures in emergencies, the Chief Executive shall consult the Executive Council before making important policy decisions, introducing bills to the Legislative Council, or making subsidiary legislation. As the Chief Executive's think-tank and advisers, the Executive Council Members shall comply with the principles of confidentiality and collective responsibility. For issues submitted to the Executive Council for discussion and decision, the Executive Council Members have the obligation to maintain the confidentiality of the Executive Council agenda and deliberation, and to be collectively responsible for and uphold its decisions.

As competent and well-experienced individuals committed to serving Hong Kong, the Executive Council Members hold various other positions and shoulder many responsibilities in the community. Provided that the Executive Council principles of confidentiality and collective responsibility are observed, the Executive Council Members have the right to express their personal opinions like other members of the public.

- (b) As explained above, so long as the Executive Council principles of confidentiality and collective responsibility are observed, the Executive Council Members have the right to express their personal opinions like other members of the public. If any individual Member contravenes the principles of the Executive Council discussions, the Chief Executive will decide how the case should be handled. The Chief Executive may, depending on the circumstances, take appropriate actions including issuing an advice, a warning, public reprimand, removing the Member from office, or taking legal actions.
- (c) The Executive Council is the highest-level organ for assisting the Chief Executive in policy-making as specified in the Basic Law. Its role, composition, powers and responsibilities are clearly stipulated in the Basic Law. It has a constitutional status and has

been performing its functions since the reunification. Article 55 of the Basic Law stipulates that the Chief Executive shall appoint the Executive Council Members from among the principal officials, Legislative Council members and public figures. The Government will not change the role, composition, powers and responsibilities of the Executive Council.

**MR WONG YUK-MAN** (in Cantonese): *President, the Chief Secretary is not answering my question. The person often writes articles in newspapers criticizing the opposition camp and the democratic camp. We will not be concerned about this if his articles are based on objective facts, but he is spreading rumours. Since he is now an Executive Council Member, he cannot continue to write articles in this manner.*

*The most ridiculous incident was the one at the City Forum. He alleged that the source of funding of Scholarism was dubious and that there was a political plot behind it. Does he think he is a columnist? No, he is an Executive Council Member, and he is part of the Government who has access to confidential information. As such, I am extremely dissatisfied with the answer of the Chief Secretary.*

*Will the Chief Secretary tell me — since you have been an Executive Council Member for a long time — which Executive Council Member has ever acted like CHEUNG Chi-Kong, who writes articles in newspapers every day to criticize others? Chief Secretary, give me an answer. Please find and show me another Executive Council Member who behaves like him.*

**PRESIDENT** (in Cantonese): Mr WONG, you have already stated your supplementary question, please be seated.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, as I pointed out in the main reply, as long as the principles of confidentiality and collective responsibility are observed, we respect the right of Executive Council Members .....

**MR WONG YUK-MAN** (in Cantonese): *President, Mr CHEUNG Chi-kong's remark ..... the Executive Council is bound by collective responsibility, is it not?*

**PRESIDENT** (in Cantonese): Mr WONG, please be seated. I have said many times that debate is not allowed during question time. Members should allow officials to reply after putting their supplementary question.

**MR WONG YUK-MAN** (in Cantonese): *Should the Executive Council be accountable for the remarks of Executive Council Members under collective responsibility? I have not violated the Rules of Procedures. President, please ask the Chief Secretary to reply.*

**PRESIDENT** (in Cantonese): Mr WONG, please sit down. I heard clearly the supplementary question you asked earlier. You asked the Chief Secretary to answer whether there were other Members of the Executive Council who had made remarks similar to the Member you referred to. I will now ask the Chief Secretary to reply. However, when the Chief Secretary is giving her reply, Members should not rise to speak.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, in the main reply, I pointed out that as long as the principles of confidentiality and collective responsibility are observed, we respect the freedom of every Executive Council Member to express their views in their personal capacity, and this practice is applicable to all Executive Council Members.

**MR WONG YUK-MAN** (in Cantonese): *President, she has not answered my supplementary question. You have posed the question clearly to her on my behalf earlier, yet she has not answered it.*

*My earlier supplementary question asked: According to the experience of the Chief Secretary, is there any Executive Council Member still writing articles every day like the Executive Council Member I referred to earlier?*

**PRESIDENT** (in Cantonese): Chief Secretary, will you answer this follow-up question and tell us whether there is any Member of the Executive Council behaving in the way mentioned by Mr WONG?

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, as I pointed out in the main reply, Executive Council Members have the freedom to express their views in their individual capacities. As long as the remarks made do not violate the principles of confidentiality and collective responsibility, we think we should respect those views. Therefore, I have not conducted a comprehensive analysis to examine whether remarks expressed by each Executive Council Member over the period in the past are similar to or different from the remarks made by a certain Executive Council Member as pointed out by Mr WONG Yuk-man earlier.

**MR FREDERICK FUNG** (in Cantonese): *President, the Chief Secretary pointed out in the first paragraph of part (a) of the main reply that Executive Council Members will comply with the principles of confidentiality and collective responsibility.*

*President, I would like to quote a paragraph from the manifesto of Chief Executive LEUNG Chun-ying when he was running in election, which is about the Executive Council. It says, "We will reinforce the functions of the Executive Council, enhance participation by non-official members to maximize the deployment of their expertise and encourage formal discussions on strategic issues in diverse policy areas. We will also garner proposals and views at the early stages of policy formulation and legislative bills and increase the number and length of meetings. The power vested in the Executive Council at present to give approval to some policy issues can be considered for delegation."*

*I would like to combine these two aspects and raise a supplementary question. It is about an Executive Council Member jumping the gun in selling two units recently, thus evading the payment of the Special Stamp Duty imposed on sellers. The Chief Executive has all along been emphasizing that the housing issue is the most important concern, both during the election and after being elected. The Secretary for Transport and Housing did say that the Executive Council Member in question had not participated in the discussion on the relevant policy, and he had not discussed the issue with him. However,*

*according to the statement in the manifesto of the Chief Executive, the public can hardly be convinced that during the fermentation of the policy over the past many months .....*

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

**MR FREDERICK FUNG** (in Cantonese): *..... that concerning the housing problem of the utmost importance .....*

**PRESIDENT** (in Cantonese): Mr FUNG, please put your supplementary question.

**MR FREDERICK FUNG** (in Cantonese): *..... the Executive Council Member would have never handled, known of or learnt about the issue. May I ask the Chief Secretary whether the Executive Council Member should observe collective responsibility and should not jump the gun in selling the units in advance?*

**PRESIDENT** (in Cantonese): Mr FUNG, you are asking the Chief Secretary about certain acts of another Executive Council Member. Regarding this supplementary question put by you, first, the incident is unrelated to the main reply; and second, the Rules of Procedure prohibit Members from discussing the personal behaviour of Executive Council Members. As such, your supplementary question does not comply with the Rules of Procedure and I will not allow you to ask this question.

**MR FREDERICK FUNG** (in Cantonese): *I did not mention the name of the Executive Council Member concerned.*

**PRESIDENT** (in Cantonese): I have already given two reasons stating why your supplementary question is not in order.



**MR IP KWOK-HIM** (in Cantonese): *President, I think each and every citizen in Hong Kong, whether or not he is a Member of the Executive Council or the Legislative Council, has the freedom and opportunity to express his views clearly. For this reason, regarding the earlier question of a Member, which stated that the expression of views by Executive Council Members should be stifled even though it is in compliance with the principle on confidentiality, I disagree.*

*On the contrary, since Executive Council Members will have significant influence on policymaking by the Chief Executive and the Government, may I ask the Chief Secretary whether the Government will consider or whether there will be an opportunity for arranging for Executive Council Members to express their views through various channels, such as television interviews or programmes like "Letters to Hong Kong". The public indeed want to know the stances and views of Executive Council Members on issues not bound by the confidentiality principle. May I ask the Government whether it will consider this, so that the public and Executive Council Members will have more opportunities of mutual communication?*

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, thanks to Mr IP Kwok-him for his supplementary question. The Members of the Executive Council are the think tank and advisers of the Chief Executive. Truly, as quoted by Mr Frederick FUNG earlier and as stated in the manifesto during the election, the Chief Executive expects Executive Council Members to participate more proactively in the governance of the current-term Government. He also expects to let the public know more about the personal views, particularly views relating to their identities and status in society, of Executive Council Members on the premise that the principles of confidentiality and collective responsibility are strictly observed. We are glad to see this. We learn from the fact that in the past few months, the exposure rate of certain Executive Council Members may be comparable to that of mine. We proactively encourage them to express their views on certain topics.

**MR LEE CHEUK-YAN** (in Cantonese): *President, I think the Chief Secretary's reply has indeed made the situation worse for the Executive Council. I think it is great fun to be an Executive Council Member, for you have to promote the*

*policies of the Government on the one hand and may make arbitrary criticisms against others on the other. However, how do I know when he is making arbitrary criticisms and when he is promoting the Government's policies? This leads people to think that he is indeed promoting the Government's policies when he makes those criticisms. In other words, it is the Government's policy to criticize others, it is the Government's policy to criticize Scholarism, and it is the Government's policy to smear Scholarism. Tell me, how do I make the distinction? Moreover, the Executive Council as a whole adopts the black-box operation, boasting about confidentiality and collective responsibility. How can I know whether or not the remarks he made every time have been discussed in the Executive Council? Take the case of CHEUNG Chi-kong smearing Scholarism as an example. How can I know whether the issue has been discussed in the Executive Council? Under the principle of collective responsibility, would he indeed be promoting the Government's policy and stance, that is, to smear it?*

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

**MR LEE CHEUK-YAN** (in Cantonese): *My supplementary question is straightforward. Is it the Government's policy to smear Scholarism, and how can I differentiate arbitrary criticisms from promotion of the Government's policy made by an Executive Council Member? How can I make the distinction?*

**PRESIDENT** (in Cantonese): If you have already stated your supplementary question, please be seated.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, Hong Kong is a fair and open society upholding freedom. Regarding the situations mentioned by Mr LEE Cheuk-yan, I think society and the public is capable of telling the right from the wrong. In fact, we attach the utmost importance to the social monitoring system, where the media will truly monitor and the public may raise their doubts and worries. If the Government notices that certain remarks and acts have in actuality aroused considerable doubts and worries among the public, we will certainly make appropriate responses.

**PRESIDENT** (in Cantonese): Which part of your supplementary question has not been answered?

**MR LEE CHEUK-YAN** (in Cantonese): *My supplementary question is crystal clear. How can we know which remarks are government policies and which remarks are arbitrary criticisms? The Chief Secretary has not answered my question. Perhaps I should be more specific: Is it the Government's policy to smear Scholarism? Since the Government has not come forward to clarify this, how can we tell the difference?*

**PRESIDENT** (in Cantonese): Mr LEE, the Chief Secretary has already answered it. I will see if the Chief Secretary has anything to add.

(The Chief Secretary for Administration shook her head to indicate she had nothing to add)

**MRS REGINA IP** (in Cantonese): *President, the Chief Secretary explained the functions of the Executive Council according to Articles 54 and 56 of the Basic Law earlier. However, at present, there are comments that the Chief Executives of the various terms have been trying to establish a ruling alliance through the appointment of Executive Council Members, so as to help the Chief Executive to canvass votes in the Legislative Council, and thus Executive Council Members should be assessed according to their capability in canvassing votes. May I ask the Chief Secretary whether this is one of the considerations in appointing Executive Council Members?*

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, as I said right at the beginning of my main reply, matters of the Executive Council surely include the appointment of Executive Council Members, which is under the charge of the Chief Executive. Therefore, regarding the detailed considerations made by the Chief Executive in appointing Executive Council Members, I am afraid I cannot answer it on his behalf. However, as far as I understand it, the Chief Executive truly hope that each and every Member in the

Executive Council of the Government of this term will tender advice and proposals to him, so as to enhance the Government's governance.

**MS CLAUDIA MO** (in Cantonese): *President, the Chief Secretary would not casually say that the development in Lung Mei or the North East New Territories would be "reconsidered", and she would not say that those were her personal views if her aforesaid remark had subsequently aroused considerable speculation among the public and a public outcry. For in reality, the capacity and role of the Chief Secretary do not allow her to give comments casually. In reality, the freedom of expression is not equal for everyone.*

*Now, Mr WONG Yuk-man named direct that CHEUNG Chi-kong, an Executive Council Member, had given a lot of comments and written a lot of articles, may I ask whether Members of the Executive Council have in actuality read every speech and article written by CHEUNG Chi-long, and after reading them, do they really consider that he has in no measure violated the principle of collective responsibility .....*

(Mr Paul TSE stood up)

**PRESIDENT** (in Cantonese): Ms MO, please hold on. Mr Paul TSE, what is your point?

**MR PAUL TSE** (in Cantonese): *President, you have already mentioned the restrictions on Members in asking questions. Since the President has reminded Members that such practice is not allowed in the text of a question, Members should not be allowed to violate the restriction verbally again.*

**PRESIDENT** (in Cantonese): I have noticed this. However, according to our understanding of Rule 25(1)(a) of the Rules of Procedure in the past, if it is necessary to make the question clear, the question may carry reference to names. I have also noticed that the name has been mentioned time and again in the previous questions, so even if Members are prohibited to mention the name, Members will only replace it with phrases like "that Member" or "that Executive

Council Member", and the difference between the two is insignificant. However, the view of Mr Paul TSE is still valid. Will Members please pay attention to this.

Ms MO, please come to your supplementary question quickly.

**MS CLAUDIA MO** (in Cantonese): *My supplementary question is: Has a mechanism been put in place in the Executive Council to filter all speeches and articles made by CHEUNG Chi-kong to confirm that he has not violated the principle on collective responsibility? If there is any violation, will there be open condemnation?*

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, I have mentioned this in my earlier reply to Mr WONG Yuk-man's supplementary question, so my answer to Ms Claudia MO's supplementary question is also in the negative. Provided that the principles of confidentiality and collective responsibility are observed, we will not monitor the views expressed, the articles written and the remarks made by each Member of the Executive Council, and we do not have such a monitoring mechanism.

**PRESIDENT** (in Cantonese): Ms MO, what is your point?

**MS CLAUDIA MO** (in Cantonese): *I would like to follow up.*

**PRESIDENT** (in Cantonese): Please wait for another turn.

**MR ALAN LEONG** (in Cantonese): *Can I take the Chief Executive to mean that Executive Council Members may do anything as long as they do not violate the principles on confidentiality and collective responsibility? Some time ago, I heard the Chief Secretary say that the Chief Executive might have noticed the acts of certain Executive Council Members and would handle them appropriately. May I know if certain standards of practices other than collective responsibility*

*and confidentiality have been put in place, so that the Chief Executive may take action or otherwise according to these standards?*

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, I must respond to Mr Alan LEONG seriously. If the remark of not violating the principles of confidentiality and collective responsibility in my earlier reply is fetched to Mr Alan LEONG's conclusion that Executive Council Members may do anything, I think it may have been carried too far.

At present, public officers are not only subject to public supervision, as I mentioned earlier, for it is definite that they should most importantly observe the law. For instance, under common law, the offence like "misconduct in public office" is handled under the Prevention of Bribery Ordinance, and checks and balances are imposed through various systems, including the declaration of interest. So, Executive Council Members are definitely not allowed to do anything they like.

**MR SIN CHUNG-KAI** (in Cantonese): *President, actually I would like to follow up a supplementary question earlier. How can we know when the remarks of an Executive Council Member are made on behalf of the Government to promote policies and when the remarks are groundless criticisms of his own? As a number of colleagues asked earlier, is the criticism against Scholarism a promotion of policy or simply groundless criticism by a certain Executive Council Member?*

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, as I said in my reply to another supplementary question earlier, I strongly believe that Hong Kong society and the mass media are capable of distinguishing the two. Certainly, regarding the remarks made by every Executive Council Member, we must take into account that the Member has other identities other than the capacity of an Executive Council Member before coming to any conclusion. For instance, if an Executive Council Member is a commentator, who holds another capacity as the head of a very important statutory organization, his remarks will surely let people know whether it is fit for him in his original

capacity to make such remarks. However, generally, we think the freedom of expression of Executive Council Members must be respected.

**PRESIDENT** (in Cantonese): We have spent more than 23 minutes on this question. Oral questions end here.

## WRITTEN ANSWERS TO QUESTIONS

### Regulation of Village Houses

7. **MR RONNY TONG** (in Chinese): *President, recently, quite a number of owners of village houses in the New Territories (NT) have sought my assistance, and expressed grave concern about the existing policy on village houses (in particular the policy on unauthorized building works (UBWs)). In this connection, will the Government inform this Council:*

- (a) *given that some owners of village houses have told me that when owners submit the reporting form under the "Reporting Scheme for Unauthorized Building Works in New Territories Exempted Houses" introduced by the Buildings Department (BD) in April 2012, they are required to submit at the same time a safety certification issued by a competent person to prove that the building was safe, and since some owners cannot afford the high fees charged by such competent persons, they will not take the initiative to make the reports, whether the Government will exempt owners of village houses from submitting the safety certification, offer financial assistance to owners who have financial difficulties, or revise the requirement to have such certification provided by government experts instead; if it will not, of the reasons for that;*
- (b) *given that some owners of village houses have indicated that the existing legislation stipulating that small houses "may not exceed three storeys or be of a height of more than 8.23 m (that is, 27 ft) and their roofed-over area generally should not exceed 65.03 sq m (that is, 700 sq ft)" has restricted owners from adding fixed green features of a larger scale (for example, ground floor canopies with pillars or canopies projecting from the external walls of village*

*houses which can insulate against heat and thus reduce the use of air-conditioners), whether the authorities will consider relaxing the restrictions to allow owners to add such green features; if they will not, of the reasons for that; and*

- (c) *given that the Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121), which regulates small houses, has been in operation for a long time, whether the Government will consider making any amendments to it; if it will, of the specific time to do so and the particulars; if not, the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, for years, the problem of UBWs in NT village houses has been a matter of much public concern. In tackling this problem, our objective is to safeguard building and public safety and to act in accordance with the law. On this premise, and taking also into account past experience in tackling UBWs as well as the views from different sectors, the Administration put forward at the meeting of the Legislative Council Panel on Development held on 28 June 2011 a pragmatic approach in tackling existing UBWs in NT village houses through categorization of UBWs and prioritization of enforcement. That enforcement policy has been implemented since 1 April 2012.

Under the new enforcement policy, while the BD would continue to take immediate enforcement against UBWs constituting obvious hazard or imminent danger to life or property and UBWs under construction or newly completed, it would also categorize UBWs constituting serious contravention of the law and posing higher potential risks to building safety as first round targets for progressive enforcement.

In parallel, the BD has launched the Reporting Scheme for UBWs in NT village houses (the Reporting Scheme) for other existing UBWs in NT village houses which constitute less serious contravention of the law and pose lower potential risks. Owners of village houses may, within the specified reporting period, submit to the BD for registration information including photos, descriptions, sizes and completion dates of existing UBWs which were completed before 28 June 2011 and not included in the list of first round targets, and on which no enforcement action had been commenced by the BD before 28 June



2011. Subject to safety inspection and certification by a technically competent person of grade T2<sup>(1)</sup> or above once every five years after the first inspection and certification, the BD will not require removal of the registered UBWs during the period of enforcement against the first round targets, and the owners are allowed to retain these UBWs for the time being unless they become imminently dangerous. Upon expiry of the reporting period, the BD will take priority enforcement action against those UBWs which have not been reported.

To facilitate smooth and effective implementation of the new enforcement policy, the BD has conducted several rounds of publicity and public education through direct mailing, briefing sessions and various publicity avenues targeted at fostering village house owners' awareness of building safety, as well as strengthening their understanding of the enforcement policy.

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

- (a) Under the Reporting Scheme, owners of village houses may report to the BD on or before 31 December 2012, details of their eligible existing UBWs. To allow ample time for necessary arrangements, owners of village houses are not required to submit safety certification at the time of reporting details of UBWs. They may appoint qualified personnel to inspect the structures concerned and submit the first safety certification to the BD within six months after reporting. However, to facilitate owners, they are free to submit the first safety certification together with the UBWs reports as they wish.

The Reporting Scheme mainly covers minor UBWs which constitute less serious contravention of the law and pose lower potential risks. Hence, in normal circumstances, a technically competent person of grade T2 is generally competent in inspecting and certifying the safety of such kinds of structures. However, for UBWs which involve more complex structural elements which require special

(1) A T2 competent person means a person who possesses a higher diploma or higher certificate in the civil/structural engineering, building studies, building technology, building surveying, architectural studies or similar field, awarded by universities funded by the University Grants Committee, or by the Hong Kong Institute of Vocational Education or the former Technical Institutes under the Technical Colleges which are approved and/or recognized by the Vocational Training Council and with a total relevant working experience of not less than three years.

attention, for example, cantilevered slab balconies, owners are required to appoint a registered professional engineer to conduct the inspections and submit safety certification.

The requirement of safety inspection and certification aims at ensuring that the UBWs concerned would meet the basic requirements in respect of building and public safety during the period of deferred enforcement. Therefore, we will not consider exempting the requirement for safety inspection and certification.

In general, the safety inspection and certification fees depend on the quantity, size and structural complexity of the UBWs involved. The level of fees is determined by the market mechanism, subject to mutual discussions and negotiations between the owners and the appointed technicians or professionals.

To promote market competition, the BD has worked with the relevant professional bodies and organizations to encourage participation of the practitioners in providing services of safety inspection and certification of UBWs. The BD collaborates with these professional bodies and organizations in uploading information of qualified personnel to the Internet, in order to provide useful reference for the public and facilitate their procurement of the needed services at reasonable market prices. The Administration has no intention to take over the role of the private sector in providing such services. Given that it is the responsibility of the owners to keep their buildings in proper maintenance, including the handling of UBWs, the Administration has no plan to subsidize the safety inspection and certification of UBWs.

- (b) The Administration fully appreciates that, with the advancement of society, there are rising aspirations among the public for improving their living environment and the level of comfort. Some environmental and amenity facilities are reasonable daily necessities for people living in village houses. Installation of these facilities does not only improve villagers' living environment, but is also in line with the Government's policy of promoting the use of green facilities. Hence, at the time the enhanced enforcement policy against UBWs in village houses was announced on 28 June 2011, we

also promulgated a list of specified green and amenity facilities which are exempted. The list includes a wide range of facilities, including metal supporting racks for air-conditioners, drying racks, retractable canopies, external metal window grilles, small antennas or television dish antennas, small solar energy heaters or solar energy equipment, unenclosed rooftop awnings, open and uncovered rooftop gardening trellises, and so on. Under the new enforcement policy, these green and amenity facilities are allowed to stay or be installed at any time in future without the need for seeking the permission from the relevant departments.

- (c) The Buildings Ordinance (BO) (Cap. 123) governs the planning, design and construction of buildings and the associated works in Hong Kong. When the Buildings Ordinance was enacted in 1955, its application was confined to "Hong Kong, Aplichau, Kowloon and New Kowloon". Since 1 January 1961, the Buildings Ordinance has been applied to the NT in the manner provided by the Buildings Ordinance (Application to the New Territories) Ordinance (then Cap. 322, replaced by Cap. 121 in 1987).

The Buildings Ordinance (Application to the New Territories) Ordinance provides that, after obtaining a Certificate of Exemption issued by the Director of Lands, a village house which meets specified standards would be exempt from certain provisions of the BO and the regulations made under the BO. The Administration has amended the BO and the Buildings Ordinance (Application to the New Territories) Ordinance from time to time to meet changing circumstances. To ensure building and public safety, the Administration has no plans to amend the Buildings Ordinance (Application to the New Territories) Ordinance at the moment. However, the Administration will continue to monitor the implementation of the Ordinance regularly and would propose amendments to the Ordinance when necessary.

### **Interim Review of Scheme of Control Agreements**

8. **MS CYD HO** (in Chinese): *President, it has been learnt that the Government is preparing to conduct an interim review of the Scheme of Control*

*Agreements (SCAs) with the two power companies in early 2013. In this connection, will the Government inform this Council:*

- (a) of the specific timetable for the interim review;*
- (b) whether it has drawn up any objectives for the interim review (such as to reform the electricity tariff structure, to discuss the model and regulatory framework for liberalization of the electricity supply market, to strengthen interconnection between the power grids, and so on); if it has, of the objectives and details of the interim review; if not, the reasons for that;*
- (c) whether it has set up a dedicated task force responsible for the interim review; if it has, whether the members of the task force include professionals and academics who are not from the Civil Service, of the membership list of the task force and the professional background of each member;*
- (d) whether it will consult the public on the interim review; if it will, of the arrangements for the consultation, including details such as the timetable, approach and scope; if not, the reasons for that;*
- (e) whether it will make public the relevant documents and detailed minutes of meetings on the process of Government's previous negotiations with the two power companies on SCAs, as well as the details of the interim review such as all relevant documents and minutes of meetings; if it will, when such information will be made public; if not, the reasons for that;*
- (f) whether it has conducted any study on the existing SCAs to evaluate their pros and cons; if it has, of the findings of the study; if not, the reasons for that; and*
- (g) whether it has studied regulatory frameworks and monitoring models applicable to power companies, other than those under SCAs; if it has, of the details of the findings of the study; if not, the reasons for that?*

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

- (a) The SCAs signed between the Government and the two power companies set out the obligations of the power companies, the returns for shareholders and the arrangements by which the Government monitors the power companies' financial affairs. The current SCAs run for a term of 10 years and will expire in 2018. The SCAs stipulate clearly that the Government and the two power companies shall have the right during 2013 to request modification of any part of the current SCAs, and mutual agreement is needed before implementing any proposed modification. The Government is making preparation for an interim review of the SCAs with the two power companies respectively in early 2013 in accordance with the SCAs.
- (b) We have no fixed views on the interim review and have set no boundary to its scope. However, the review is premised on the current SCAs which shall continue to operate until 2018, and mutual agreement is also needed before implementing any proposed modification to the SCAs. Hence, any fundamental changes, such as model for opening up the electricity market, should be dealt with separately.
- (c) The interim review falls under the purview of Environment Bureau. Relevant officers in the Bureau are involved in the review and will, as necessary, consult other Policy Bureaux and government departments, and hire independent energy or other consultants to provide assistance.
- (d) and (e)

We are currently engaging experts, academics, green groups and other stakeholders on the interim review and relevant energy matters to solicit views widely. We already convened two engagement sessions with stakeholders on energy matters in end October. We will listen to the views of Members of the Panel on Economic Development of the Legislative Council before the interim review formally commences. The Environment Bureau will collect and

study the views from various parties and continue to perform the gate-keeping duties with best endeavour to ensure a reasonable balance among the energy policy objectives in Hong Kong, that is, reliability, safety, environmental-friendliness and reasonable prices, in order to safeguard the interests of the public. The interim review is targeted to complete by end 2013. We will brief the Legislative Council and the public on the results of the review at an appropriate time.

(f) and (g)

The current SCAs signed between the Government and the two power companies will expire in 2018. As stipulated under the SCAs, the Government will review with the two power companies the electricity supply regulatory framework before 2016. We are now conducting preparatory work for the review, including studying and analysing possible models for market liberalization, changes to the regulatory framework and their impact, such as the issues of segregating electricity generation from the power grids and strengthening interconnection between the power grids.

### **Textbook Vetting Criteria**

9. **MRS REGINA IP** (in Chinese): *President, in its letter dated 5 June 2012 to the Panel on Education of this Council, the Education Bureau pointed out that the existing textbook vetting criteria had been optimized to facilitate the reuse of textbooks among students and encourage them to use other means to finish assignments and assessment tasks. The relevant sub-committee of the Curriculum Development Council also endorsed a revised set of textbook vetting criteria, which has been in force since July 2012. In this connection, will the Government inform this Council:*

- (a) *of the details of the revisions made to textbook vetting criteria;*
- (b) *of the specific measures to put into practice the reuse of textbooks;*  
*and*

- (c) *whether it has assessed the effectiveness of revising textbook vetting criteria in lowering textbook prices?*

**SECRETARY FOR EDUCATION** (in Chinese): President,

- (a) and (c)

The Education Bureau accords much attention to the textbook review system, and keeps it up to date by refining the review guidelines and criteria in a timely manner. At the same time, we strive to promote textbook recycling and create room for reducing textbook prices through various measures.

The Education Bureau has introduced a series of measures in response to the report published by the Working Group on Development of Textbooks and E-learning Resources in October 2009. To promote textbook recycling, an additional requirement that the design should facilitate the reuse of textbooks has been included in the Guiding Principles for Quality Printed Textbooks revised in 2012. To meet this requirement for example, textbooks should appropriately indicate the sources of figures and statistics, and so on, so as to prevent the use of outdated information by students. Materials designed to be torn off pages or for one-off use (for example, stickers that can be used only once) should be avoided as far as possible so as to facilitate the reuse of textbooks. Apart from providing the above guiding principles for reference by textbook writers and publishers, the Education Bureau has also revised the textbook review criteria by adding new items, including comprehensiveness of textbook content, suitability for independent use, capacity to cater for the learning needs of students of different abilities, and conduciveness of textbook layouts and designs to textbook recycling. These criteria aim to encourage the recycling of textbooks, reduce unnecessary wastage and alleviate the financial burden on parents. At the joint meeting with the Textbook Committee of the Education Bureau in March 2012, the Anglo-Chinese Textbook Publishers Organisation and the Hong Kong Educational Publishers Association were informed of the above changes, and relevant information has also been uploaded

onto the Education Bureau's website for reference by schools, publishers and the general public.

Since textbook prices have an impact on people's livelihood, the Education Bureau has taken a number of measures to provide room for publishers to reduce textbook prices, including improvement of the textbook review system and implementation of the Policy of Debundling Textbooks and Teaching/Learning Materials for Pricing. However, the pricing of textbooks is a commercial decision of publishers, which is subject to a number of factors such as costs, inflation and demand and supply. The Education Bureau will continue to closely monitor textbook prices and take follow-up actions in a timely manner.

- (b) Support from schools and parents is a decisive factor in the success of textbook recycling programmes. The Education Bureau issues circular memoranda and conducts seminars from time to time to encourage schools to launch textbook recycling programmes, such as textbook donations and sale of used textbooks, purchase of reference books and story books on loan to students, as well as textbook and story book recycling programmes organized with the support of Parent-Teacher Associations. According to the findings of the Textbook Expenditure Survey released by the Consumer Council in September 2012, compared with last year, the total number of textbooks used in primary schools has reduced as a result of initiatives taken by schools to recycle textbooks, including the implementation of textbook recycling/loaning programmes, use of e-textbooks, development of school-based teaching materials, as well as reduction of the number of required supplementary and examination-oriented exercise books. This shows the efforts made by schools in support of the Education Bureau's policy. Besides, the Education Bureau is compiling the second edition of A Parental Guide to Textbook Matters, which will encourage co-operation between parents and schools in textbook recycling by illustrating the benefits of reusing textbooks. In addition, the Education Bureau will conduct school visits during this school year to understand how textbook recycling is being implemented in schools and to collect good practices for dissemination of good practices.



## **Mandatory Window Inspection Scheme**

10. **MR LEUNG CHE-CHEUNG** (in Chinese): *President, recently, quite a number of property owners sought my assistance, saying that they had received promotional mails from private works companies which claimed that the Mandatory Window Inspection Scheme (MWIS) was applicable to buildings over 10 years old and that such companies could offer free services for inspection of aluminum windows. Upon inspection, the personnel from such companies advised them that, in order to comply with the law, the aluminum windows concerned needed to be repaired and they recommended maintenance and repair plans costing over \$10,000. After making enquiries with the Buildings Department (BD), staff of my office have found that the personnel who conducted the window inspections were not Qualified Persons (QPs). Under the MWIS, the BD will issue pre-notification letters to the Owners' Corporations (OCs) of target buildings and then one to two months later issue statutory notices to the owners requiring them to carry out window inspection. The aforesaid owners suspect that someone have tried to reap money by misleading members of the public. In this connection, will the Government inform this Council:*

- (a) *of the targets of the BD's publicity on the MWIS; whether it has assessed if there is adequate publicity targeting at the elderly and those who do not have the habit of Internet browsing;*
- (b) *given that the second phase of the MWIS's publicity programme has been launched in May 2012, whether it has assessed the effectiveness of the programme, and whether it will further step up publicity;*
- (c) *apart from providing the registers of QPs and registered contractors under the MWIS on the BD's website and in its office at Mong Kok, whether the Government will increase the number of locations where such registers are placed for inspection by the elderly and those who do not have the habit of Internet browsing;*
- (d) *whether the Government will consider formulating guidelines on charges for window inspection and repair items for the reference of owners and OCs; and*
- (e) *whether the Government will follow up and investigate the aforesaid cases, including monitoring the situation where window inspections*

*are not conducted by QPs; whether it will penalize persons who contravene the regulations concerned, and of the penalty provisions?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, the BD fully implemented the Mandatory Building Inspection Scheme (MBIS) and the MWIS on 30 June 2012 to handle the problem of building neglect at source. The MBIS and the MWIS cover all private buildings aged 30 years or above and 10 years or above respectively, except domestic buildings not exceeding three storeys in height. Under the MBIS, building owners are required, within a specified time frame, to carry out a prescribed inspection and a prescribed repair found necessary of the common parts, external walls, projections and signboards of the building once every 10 years. Under the MWIS, building owners are required, within a specified time frame, to carry out a prescribed inspection and a prescribed repair found necessary of the windows in the building once every five years.

Under the Buildings Ordinance (BO), only when building owners are served with a statutory notice for mandatory building and/or window inspection by the BD would they have the statutory obligation to arrange for a prescribed inspection and prescribed repair found necessary of their buildings and/or windows after the inspection. However, it is the responsibility of all building owners to ensure proper maintenance and safety of their buildings, including carrying out regular inspections and timely repairs. Therefore, apart from complying with a statutory notice for mandatory building and/or window inspection served by the BD, owners should arrange for inspections and repairs for their buildings and/or windows as necessary. If an owner is served with a statutory notice for mandatory building and/or window inspection by the BD, he and the registered inspector (RI), the QP and the registered contractor appointed by him must carry out the inspection schemes according to the requirements of the BO and the Building (Inspection and Repair) Regulation. The BD will select target buildings for the MBIS and the MWIS at quarterly intervals and issue statutory notices to the owners/OC of the target buildings. Where necessary, owners may call the BD hotline to check if their buildings have been selected for the MBIS and the MWIS.

In respect of buildings selected for the MWIS only, the BD will issue a pre-notification letter to the OC or post the letter at a conspicuous part of the target building to alert the owners/OC to get prepared and organized. One to

two months after the issuance or posting of the pre-notification letter, the BD will issue statutory notices to the owners/OC of the target building. The owners/OC should appoint a QP within three months, and complete the prescribed inspection and repair (if necessary) within six months, from the date of the statutory notice. An extra three months will be allowed for owners of target buildings without an OC to organize and arrange the required inspection and repair works under the MWIS.

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

(a) and (b)

To enhance public awareness of the MBIS and the MWIS, the BD has launched a publicity programme in two phases. In the first phase, an Announcement of Public Interest (API) was launched in mid-February 2012, which mainly served to publicize the registration of RIs. The API was broadcast on all television and radio stations, as well as public transport vehicles including buses and railways. In the second phase, which began in early May 2012, the BD launched a dedicated webpage on its website containing detailed information on the two inspection schemes for public reference. Other publicity materials including another set of API targeting at the requirements of the two inspection schemes, leaflets, general guidelines, posters and outdoor advertisements were launched in late June 2012 to publicize the full implementation of the schemes. The publicity leaflets have also been uploaded onto the BD's website and made available at the BD offices and the Public Enquiry Service Centres in various districts for public information. Moreover, since the first phase, the BD has all along been actively involved in seminars organized by various professional organizations, District Offices, District Councils, the Hong Kong Housing Society (HKHS), the Urban Renewal Authority (URA), property management companies and individual housing estates, with a view to further promoting the MBIS and the MWIS in the community. The BD has also invited the elderly to seminars through social welfare organizations in the community to strengthen the support to the elderly.

The BD is now rolling out the second phase of the above promotion and publicity programme at full scale and will review its effectiveness from time to time. Adjustments will be made to the strategies to achieve better outcomes as appropriate.

- (c) According to the BO, a QP appointed to carry out the prescribed inspection or supervision of the prescribed repair for windows under the MWIS shall be a person whose name is currently on one of the following registers kept by the Building Authority: Authorized Persons; Registered Structural Engineers; RIs; Registered General Building Contractors (RGBCs); Registered Minor Works Contractors (RMWCs) or RMWCs (Provisional) registered for the class, type and item of minor works in respect of windows. The various registers mentioned above and a list of QPs are available on the BD's website for inspection. Members of the public, including the elderly, may also visit the BD offices, the Property Management Advisory Centres of the HKHS and the Urban Renewal Resource Centre of the URA for enquiries.
- (d) The cost of professional services for window inspection and repair varies with such factors as the number of windows in the building, their sizes and conditions of maintenance and repair, and the prevailing market conditions of the trade. The availability of about 10 000 RGBCs and RMWCs or RMWCs (Provisional) registered for the class, type and item of minor works in respect of windows that provide window inspection and repair services at present should be sufficient to provide a level playing field in the market. Owners/OCs may obtain quotations from different registered contractors for reference and comparison.
- (e) Under the MWIS, QPs are required to carry out the prescribed inspection personally and to provide proper supervision for any prescribed repair found necessary of the window during the inspection so as to ensure that the repaired window is safe. Upon completion of the inspection or repair, the QP is required to submit a certificate in the specified form to the BD for record and audit check for the purpose of effective control.

According to the Building (Inspection and Repair) Regulation, if the QP is a general building contractor or minor works contractor registered as a company, the representative of the QP must carry out the window inspection personally and the representative must also be the authorized signatory of the contractor. Any QP who contravenes the provision commits an offence and is liable on conviction to a fine of \$250,000.

Under the BO, any person other than a QP who, without reasonable excuse, certifies a prescribed inspection or certifies or supervises a prescribed repair, in respect of a window in a building commits an offence and is liable on conviction to a fine at level 6 (a maximum fine of \$100,000) and to imprisonment for six months; and to a fine of \$5,000 for each day during which it is proved to the satisfaction of the Court that the offence has continued.

Regarding the case raised in the question, the BD is taking follow-up action. In the event that there are suspected irregularities by any person or contractor, prosecution and/or disciplinary action pursuant to the BO will be considered.

### **Study on Construction of Siu Sai Wan Extension**

11. **MR CHRISTOPHER CHUNG** (in Chinese): *President, regarding the aspiration of the residents of Hong Kong Island East for the MTR Corporation Limited (MTRCL) to construct an extension to Siu Sai Wan, will the Government inform this Council:*

- (a) *whether the Government or the MTRCL has conducted a feasibility study on construction of the Siu Sai Wan extension; if yes, of the details and findings, and if the findings of the study show that the feasibility is not high, whether the Government will consider constructing a smaller-scale railway system in Siu Sai Wan (for example, the Light Rail system in Tuen Mun and Yuen Long, or the monorail system poised to be built in the Kai Tak Development Area) and linking the system to the existing stations on the MTR Island Line (ISL); if no study has been conducted, whether it will consider doing so;*

- (b) *of the current population of Siu Sai Wan, as well as the respective figures of the projected population growth in the next five and 10 years; and*
- (c) *given that the Government published in April this year the first-stage public consultation document for the Review and Update of the Railway Development Strategy 2000, proposing to conduct a study on three regional railway corridors (namely the Hong Kong-Shenzhen Western Express Line, the Northern Link and the Coastal Railway between Tuen Mun and Tsuen Wan), when the Government will carry out the second-stage public consultation, and whether it will consider including the Siu Sai Wan extension as one of the items for study and discussion in that stage of public consultation?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, my reply to the various parts of Mr CHUNG's question is as follows:

- (a) The Government has conducted preliminary studies on the feasibility of connecting the ISL to Siu Sai Wan in the past, including an ISL extension from Chai Wan Station to Siu Sai Wan and an ISL bifurcation from Heng Fa Chuen Station to Siu Sai Wan. As Siu Sai Wan is a well developed community, space available for railway development is very limited. Both alignments would be in conflict with various existing buildings in the district, rendering it technically extremely difficult to connect the ISL to Siu Sai Wan.

The ISL is a heavy rail system with entirely different standards and specifications from those adopted by a light rail system or monorail system. Tracks, depot and other railway facilities for maintenance purposes, and so on, cannot be shared among these systems. If a light rail system or monorail system were constructed to connect Siu Sai Wan with an existing ISL station, additional land would be required to establish a depot and other maintenance facilities. These proposals are expected to result in a greater land requirement and higher community impact, thus are of lower feasibility.

- (b) For town planning purpose, the whole territory of Hong Kong is currently divided into 289 Tertiary Planning Units (TPUs) by the Planning Department. Each of the TPU is identified by a unique three-digit number. Under this demarcation system, Siu Sai Wan is located in TPU 167.

According to the results of the 2011 Population Census conducted by the Census and Statistics Department, the population of TPU 167 as at June 2011 is 59 729.

With reference to the projected population figures published by the Planning Department in 2010, the projected population of TPU 167 for mid-2015 is 59 600. The department currently does not have any projected population figures beyond 2015, but is updating the projected population figures for 2015 and beyond based on the results of the 2011 Population Census.

- (c) In March 2011, the Government commissioned consultants to conduct a study for the Review and Update of the Railway Development Strategy 2000, with a view to updating the long-term railway development blueprint of Hong Kong in the light of the latest development of the society. The study reviews the railway schemes identified in the Railway Development Strategy 2000 which are not yet implemented, as well as other railway proposals suggested by the Government or the public. The entire study is expected to be completed in mid-2013.

We conducted the Stage 1 public engagement exercise from April to July 2012 to consult the public on the proposals of three major regional railway corridors (*viz.* the Hong Kong-Shenzhen Western Express Line, the Northern Link, and the Coastal Railway between Tuen Mun and Tsuen Wan), and are planning to launch the Stage 2 public engagement exercise early next year to discuss proposals of local enhancement schemes. We will consider whether to include the Siu Sai Wan extension as an item for further discussion in the Stage 2 public engagement exercise in view of the study recommendations made by our consultants.

## **Regulation of Self-financing Post-secondary Institutions and Self-financing Programmes**

12. **DR KENNETH CHAN** (in Chinese): *President, in recent years, many students have enrolled in various self-financing post-secondary (SFPS) programmes and the number of SFPS institutions operated by different bodies and universities is also on the rise. It has been reported that the Community College and the Lingnan Institute of Further Education operated by the Lingnan University as well as the HKU SPACE Community College are alleged to have over-enrolled students, which has aroused public concern about the operations and regulation of SFPS institutions. In this connection, will the Government inform this Council:*

- (a) *whether the authorities will follow up the incidents of over-enrolment of students by the aforesaid institutions and conduct an independent investigation into the matter; if they will, of the details; if not, the reasons for that;*
- (b) *whether it knows the total number of places offered by, and the total actual intake of, the SFPS programmes of each SFPS institution in each of the past three years;*
- (c) *whether it knows, in the past five years, the amounts of application fee, enrolment deposit and other admission fees for SFPS programmes charged by each of the SFPS institutions operated by publicly funded tertiary institutions; given that those applicants who end up not studying in the post-secondary institutions concerned may not be able to get a full refund of the aforesaid fees, whether the authorities have regulated the charging of such fees; if they have, of the details; if not, the reasons for that;*
- (d) *of the number and nature of complaints received by the authorities and the University Grants Committee (UGC) in the past five years about SFPS institutions and programmes, with a breakdown by institutions and nature of complaints; and how they have specifically followed up these complaints;*
- (e) *whether the authorities will conduct a comprehensive review of the existing mechanism for regulating SFPS institutions and*



*programmes in the light of the above mentioned incidents of over-enrolment of students; if they will, of the details of the review; if not, the reasons for that; and*

- (f) *whether the authorities will consider reviewing the existing academic accreditation mechanism for such programmes, so as to ensure the programme quality and that the institutions can provide a suitable learning environment for their students; if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR EDUCATION** (in Chinese): President, 2012 is a double-cohort year in which the first cohort of students sitting the Hong Kong Diploma of Secondary Education (HKDSE) Examination and the last cohort of day school students sitting the Hong Kong Advanced Level Examination completed their secondary education at the same time. To provide more progression pathways for the 103 500 or so examination candidates under the new and old academic structures, post-secondary institutions (both publicly-funded and self-financing) offer more than 75 000 locally-accredited post-secondary programme intake places and another 35 000 places for continuous education and vocational training programmes in the 2012-2013 academic year. Students may proceed to degree or sub-degree level education or attend other programmes according to their interests, aptitude and abilities. Without previous HKDSE examination results to serve as reference, institutions had certain difficulties in determining the admission criteria for different programmes. Furthermore, given the fact that 2012 is a double-cohort year, institutions had to reserve places for students under the new and old academic structures and encountered considerable challenges in admission arrangements.

- (a) The Government is very much concerned about the recent incident related to the admission and programme arrangements of the Community College of Lingnan University and the Lingnan Institute of Further Education. We note that the Lingnan University is taking follow-up actions. An inquiry panel was set up on 28 September 2012 to undertake investigation and conduct review, including the incident's impact on teaching and learning. A report, together with recommendations on improvement measures, will be submitted to the Lingnan University within three months. We note that the Lingnan University later decided on 16 October 2012 to

expand the membership of the inquiry panel by appointing two more Council Members and inviting the President of the Lingnan University Students' Union to be an observer, so as to enhance the credibility of the inquiry panel. We hope that the university can handle the matter properly, maintain effective communication with students, cater for their needs and ensure the quality of its programmes. The Education Bureau has already requested the Lingnan University to submit a report by the end of this year and will continue to monitor closely the progress of the follow-up actions.

As regards the HKU SPACE Community College, the institution has informed that appropriate arrangements have already been made for students admitted. These include appointing sufficient teachers with relevant qualification and experience, expanding learning centres and procuring additional teaching equipment.

The Education Bureau will also follow up the issues related to the admission and programmes of the said institutions through the Liaison Committee on Quality Assurance with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), Joint Quality Review Committee (JQRC) and Quality Assurance Council (QAC).

- (b) On the basis of the data provided by the institutions, we have compiled a table showing the estimated number of places and actual intake for locally-accredited self-financing full-time undergraduate and sub-degree programmes over the past three academic years from 2010-2011 to 2012-2013 (Annex A).
- (c) Post-secondary institutions in Hong Kong enjoy a high degree of autonomy in academic development and administration. Each institution may devise its admission arrangements in the light of its own circumstances, including the collection of application fee and enrolment deposit. To facilitate double-cohort graduates in their academic pursuit, all post-secondary institutions outside the Joint University Programmes Admissions System (JUPAS) have agreed this year that the timeline for enrolment deposit settlement should be 12 noon of the fourth working day (exclusive) after the release of the

public examination results. Beyond this timeline, residual places would be appropriately allocated to applicants on the waiting lists. As some students might be offered a place for more than one programme, institutions have decided to charge an enrolment deposit in a bid to minimize the wastage of places. This year, most of the non-JUPAS institutions agreed to set their enrolment deposits or registration fees at \$5,000 or below. Since enrolment deposit was to be settled before the JUPAS results were released, most institutions allowed a refund of enrolment deposit to applicants who later accepted an offer via JUPAS for full-time UGC-funded undergraduate programme. A summary of the arrangements was uploaded onto the Information Portal for Accredited Post-Secondary Programmes in June this year and is set out at Annex B.

- (d) In the past five years, the Education Bureau and the UGC Secretariat received 75 and 12 complaints respectively about SFPS institutions and programmes. The complaints were mostly related to administrative arrangements, tuition fees and other charges, quality of teaching and student assessment. All the complaint cases have been followed up and handled in accordance with established internal procedures, with actions taken to contact or reply to the complainants.

- (e) and (f)

Currently, there are three quality assurance bodies in Hong Kong to monitor the quality of the post-secondary education sector. The HKCAAVQ is a statutory body responsible for the quality assurance of all operators and programmes except the UGC-funded institutions which enjoy self-accrediting status. The QAC is a semi-autonomous non-statutory body under the aegis of the UGC to conduct quality audits of the UGC-funded institutions and programmes offered at degree level and above, however funded. The JQRC was established by the Heads of Universities Committees to provide peer review of the quality assurance processes of self-financing sub-degree programmes offered by the UGC-funded institutions.

The Government attaches great importance to the quality assurance of post-secondary education. The UGC recommended in its Report on Higher Education Review 2010 that a single quality assurance body for the entire post-secondary sector should be set up. While the Government will explore the possibility of eventually setting up a single quality assurance body, we have been implementing incremental steps to enhance the quality assurance mechanism:

- (i) The Government has transformed the Tripartite Liaison Committee (comprising the Education Bureau, HKCAAVQ and JQRC) and formed the Liaison Committee on Quality Assurance by engaging the QAC. The goals of the Committee are to promote sharing of good practices among all the quality assurance bodies and enhance consistency and transparency so as to enhance accountability. Through the Committee, the Education Bureau will follow up issues relating to institutions' admission and programme arrangements; and
- (ii) As stated in its response to the UGC's Report on Higher Education Review, the Government considers that periodic external audits and reviews should be conducted on community colleges or self-financing sub-degree operations under the aegis of UGC-funded institutions so as to enhance quality assurance and ensure consistency and coherence in standards. To this end, the Government stipulates under the Sixth Matching Grant Scheme (MGS) launched in August this year that UGC-funded institutions would need to undertake that their sub-degree operations benefiting from the Sixth MGS should be subject to periodic quality audits by the HKCAAVQ in future. UGC-funded institutions participating in the latest round of Start-up Loan Scheme for self-financing institutions launched in October this year are also required to make a similar undertaking. The Education Bureau, in conjunction with relevant bodies, will study the implementation details.

Estimated and Actual Intakes of Locally-accredited Self-financing Full-time Post-secondary Programmes<sup>(1)</sup>

Institution	2010/11 Academic Year			2011/12 Academic Year			2012/13 Academic Year (Provisional figures)			Actual Intakes <sup>(2)</sup>					
	Estimated Intakes			Estimated Intakes			Estimated Intakes			Estimated Intakes					
	Sub-degree Programmes	Undergraduate Programmes	Total	Sub-degree Programmes	Undergraduate Programmes	Total	Sub-degree Programmes	Undergraduate Programmes	Total	Sub-degree Programmes <sup>(3)</sup>	Undergraduate Programmes	Total			
Caritas Bianchi College of Careers	320	-	320	386	-	386	440	-	440	339	-	339	178	-	178
Caritas Institute of Higher Education	346	-	346	399	-	399	313	240	553	296	8	304	360	480	840
Centennial College	-	-	-	-	-	-	-	-	-	-	-	-	-	400	236
Chu Hai College of Higher Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City University of Hong Kong - Community College of City University	4 415	-	4 415	4 249	-	4 249	3 830	-	3 830	3 798	-	3 798	3 525	-	3 525
Hang Seng Management College <sup>(4)</sup>	400	260	660	339	450	789	150	480	630	127	496	623	200	1 295	1 495
HKU SPACE Po Leung Kuk Community College	850	-	850	1 489	-	1 489	1 465	-	1 465	1 866	-	1 866	1 591	-	1 591
Hong Kong Adventist College	-	-	-	-	-	-	-	-	-	-	-	-	40	-	40
Hong Kong Art School <sup>(5)</sup>	70	-	70	69	-	69	55	-	55	46	-	46	55	-	55
Hong Kong Baptist University and its School of Continuing Education and College of International Education	1 880	-	1 880	2 513	-	2 513	1 985	-	1 985	2 290	-	2 290	3 090	-	3 090
Hong Kong Buddhist College	-	-	-	-	-	-	-	-	-	-	-	-	300	-	300
Hong Kong College of Technology	625	-	625	507	-	507	580	-	580	387	-	387	945	-	945
Hong Kong Institute of Technology	280	140	420	132	106	238	280	140	420	172	70	242	280	140	420
Hong Kong Shue Yan University	-	1 200	1 200	-	1 256	1 256	-	1 200	1 200	-	1 277	1 277	-	1 314	1 314
Kaplan Business and Accountancy School	-	-	-	-	-	-	-	-	-	-	-	-	160	-	160
Lingnan University - The Community College at Lingnan University and Lingnan Institute of Further Education	1 882	-	1 882	1 829	-	1 829	1 800	-	1 800	1 998	-	1 998	2 880	-	2 880
Pui Chung Academy <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	120	-	120
Sacred Heart Carosian College of Commerce	-	-	-	-	-	-	160	-	160	110	-	110	160	-	160
SCAD Foundation (Hong Kong) Limited	-	-	-	-	-	-	228	-	228	88	-	88	-	228	228
School of Continuing and Professional Studies, The Chinese University of Hong Kong	1 332	-	1 332	1 597	-	1 597	1 093	-	1 093	1 101	-	1 101	1 420	-	1 420
The Chinese University of Hong Kong - Tung Wah Group of Hospitals Community College	1 059	-	1 059	1 343	-	1 343	619	-	619	842	-	842	-	-	-
The Hong Kong Institute of Education	350	40	390	445	41	486	870	325	1 195	515	251	766	285	271	556
The Hong Kong Polytechnic University - Hong Kong Community College	4 050	-	4 050	4 201	-	4 201	3 742	-	3 742	4 379	-	4 379	4 500	-	4 500
The Open University of Hong Kong and Li Ka Shing Institute of Professional and Continuing Education	900	1 184	2 084	642	1 115	1 757	1 045	1 064	2 109	823	1 141	1 964	420	1 353	1 773
The University of Hong Kong - HKU SPACE Community College	2 957	-	2 957	3 430	-	3 430	2 068	-	2 068	2 333	-	2 333	3 901	-	3 901
Tung Wah College	-	-	-	-	-	-	200	200	400	274	35	309	250	550	800
Vocational Training Council	4 945	-	4 945	4 785	-	4 785	3 450	-	3 450	3 638	-	3 638	5 060	210	5 270
Yew Chung Community College	31	-	31	6	-	6	20	-	20	15	-	15	220	-	220
YMCA College of Careers	-	-	-	-	-	-	-	-	-	-	-	-	105	-	105

Notes:

- [1] denotes the estimated and actual intakes for the first year of the relevant programmes.
- [2] denotes the provisional figures as at early October 2012. The final actual intakes may vary.
- [3] excludes sub-degree programmes provided for senior secondary school leavers under the old academic structure.
- [4] Hang Seng Management College was known as Hang Seng School of Commerce before the 2010/11 academic year.
- [5] The estimated intakes for full-time and part-time sub-degree programmes to be offered by the Hong Kong Art School in the 2012/13 academic year was 85. In view of the demand for full-time sub-degree places, there are no student intakes for part-time programmes.
- [6] Pui Chung Academy eventually decided not to offer any programmes in the 2012/13 academic year. As a result, there are no student intakes.
- “-” indicates that no such programmes are/were offered by the institutions.

## Annex B

**2012 Application Information and Admission Arrangement for Non-JUPAS Post-secondary Programmes\***  
(as at 18.7.2012)

Institution	Application Information					Admission Arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Caritas Bianchi College of Careers	3 Jan 2012 – 28 Sep 2012	\$50 for sub-degree programmes	Tseung Kwan O Campus 18 Chui Ling Road Tseung Kwan O, N.T.	Tseung Kwan O Campus 3653 6600	info@cbcc.edu.hk	<p>Applicants should:</p> <ul style="list-style-type: none"> <li>confirm acceptance of offer within 2 working days (including Sat and Sun) after receiving the offer</li> <li>pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> </ul> <p>Will consider walk-in applications and may confirm offers on-site subject to merits of applicants and availability of places</p>	Within 2 working days after receiving the offer	\$5,000	<p>Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong</p> <p>Full refund with admin fee of \$200</p>
Caritas Institute of Higher Education	3 Jan 2012 – 28 Sep 2012	\$200 for degree programmes \$50 for sub-degree programmes	Tseung Kwan O Campus 18 Chui Ling Road Tseung Kwan O, N.T.  Caine Road Campus 2 Caine Road Hong Kong	Tseung Kwan O Campus 3653 6600  Caine Road Campus 2521 4693	info@ciche.edu.hk	<p>Applicants should:</p> <ul style="list-style-type: none"> <li>confirm acceptance of offer within 2 working days (including Sat and Sun) after receiving the offer</li> <li>pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> </ul> <p>Will consider walk-in applications and may confirm offers on-site subject to merits of applicants and availability of places</p>	Within 2 working days after receiving the offer	\$5,000	<p>Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong</p> <p>Full refund with admin fee of \$200</p>
Centennial College	Mar 2012 – 31 Jul 2012	\$150 per application	3 Wah Lam Path, Pokfulam, Hong Kong	3762 6200	enquiry@centennialcollege.hk	<ul style="list-style-type: none"> <li>HKALE students: claim offer by 30 Jun, payment of deposit by noon 5 Jul</li> <li>HKDSE students: claim offer by 21 Jul, payment of deposit by noon 25 Jul</li> <li>Walk-in: HKALE: 29 Jun – 1 Jul, HKDSE: 20 Jul – 22 Jul</li> </ul> <p>(Offers may be granted on-site subject to merits of applicants and availability of places)</p>	Within 2 working days after receiving the offer	\$5,000	<p>Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme. Applicant is required to submit an application for refund before the deadline</p> <p>Full refund with admin fee of \$250</p>
Chu Hsi College of Higher Education	1 Feb 2012 – 31 Aug 2012	\$200	2-12 Yi Lok Street Riviera Gardens Tuen Wan, N.T.	2408 9928 / 2408 9938	info@chuhai.edu.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: may confirm offers on-site subject to merits of applicants and availability of places</li> </ul>	Within 4-7 working days after receiving the offer	\$5,000	<p>Yes, if student has accepted an offer from UGC-funded degree programme, which is same as the offer by Chu Hsi, and the programme major of the UGC offer is the applicant's first choice</p> <p>Deadline for application for refund: 31 Jul for HKALE and 22 Aug for HKDSE</p> <p>Full refund with admin fee of \$500</p>

Institution	Application Information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Community College of City University	9 Feb 2012 – 31 Jul 2012	\$150 (through E-APP) \$150 / Division, student may choose up to 4 maximum of 3 programmes within one Division (through other channels)	Room 6104, 6 <sup>th</sup> floor, Academic 2, Tat Chee Avenue, Kowloon Tong, Kowloon G/F, Telford Plaza, 33 Wan Yip Street, Kowloon Bay, Kowloon	3442 9880  2707 9440	college.admission@cityu.edu.hk	Applicants should: • confirm acceptance of offer within 36 hours (including Sat and Sun) after receiving the offer • pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE) E-APP applicants will have priority over walk-in applicants	HKALE By noon 10 Jul HKDSE By noon 30 Jul	\$4,500	Yes, full refund will be arranged if student has accepted an offer from publicly-funded degree / sub-degree programme  No admin fee
Hong Kong Management College	12 Nov 2011 – 13 Aug 2012	\$100 for each programme	Siu Tak Yuen, Shatin	2252 9555	registrat@hsmc.edu.hk	No claim offer arrangement • Pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE) after release of public exam results • Place availability will be posted on the HSMC website • Accept walk-in applications and confirm offer subject to merits of applicants and availability of places	Within 2 working days after receiving the offer	\$6,000	Yes, if Associate Degree applicant has accepted an offer from full-time UGC-funded undergraduate degree, or degree applicant has accepted an offer from full-time UGC-funded undergraduate degree in the same subject  Applicant is required to submit refund application within 4 days after JUPAS main round offer announcement. The admin fee of \$200 will be charged from the refund
HKU SPACE Po Leung Kook Community College	9 Feb 2012 – 31 Aug 2012	\$150 (through E-APP) \$300 (through other channels)	1/F, 66 Leighton Road Causeway Bay Hong Kong	Admission Hotline 3923 7000	enquiry@hkupace-plc.hku.hk	Applicants should: • Confirm acceptance of offer by noon 30 Jun (HKALE) or noon 21 Jul (HKDSE) • Pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE) Walk-in: interview on site and confirm offer subject to merits of applicants and availability of places	Within 3 working days after receiving the offer	\$5,000	Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong  Full refund with admin fee of \$250  Application must be submitted by end of August
Hong Kong Adventist College	13 Feb 2012 – 31 Aug 2012	\$200	Admission Office 1111 Clear Water Bay Road, Sai Kung, N.T.	Admission Office 2719 1668	hkac_info@hkac.edu	No claim offer arrangement Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE) after release of public exam results • Walk-in: interview on-site and confirm offer subject to merits of applicants and availability of places	Within 2 working days after receiving the offer	\$4,400	Yes  With an offer from JUPAS, students will have: • full refund if apply on or before 1 Aug (HKALE) or 23 Aug (HKDSE); • 50% refund if apply by 31 Aug (HKALE) & HKDSE) • no refund after 31 Aug (HKALE & HKDSE)  No admin fee

Institution	Application information						Admission arrangement		
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Hong Kong Art School (a division of Hong Kong Arts Centre)	All year round	\$500	Enrolment Office (Pac. Huang Suk Ing Campus) 8 Tam Kung Temple Road, Shan Kei Wan, Hong Kong	2922 2822	enrolcl@hkac.org.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: interview and confirm offer on-site subject to merits of applicants and availability of places</li> </ul>	Within 5 working days after receiving the offer	\$5,000	<p>Yes, if student has accepted admission offer from a UGC-funded full-time programme listed at QF Level 5 under the category of 1.2 within the HK Qualifications Register</p> <p>Full refund with admin fee of \$200</p>
Hong Kong Baptist University	1 Feb 2012 – 25 Aug 2012	\$360	Admissions Section, Academic Registry, Hong Kong Baptist University, 224 Waterloo Road, Kowloon Tong, Hong Kong	Admissions Section, Academic Registry, 3411 7934 / 3411 2219 Academy of Film 3411 8107 / 3411 8105	adrtree@hkbu.edu.hk  af@hkbu.edu.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: interview on-site and confirm offer subject to merits of applicants and availability of places</li> </ul>	Within 5 working days after receiving the offer	\$5,000	<p>Enrolment deposits will be refunded to applicants who:</p> <ol style="list-style-type: none"> <li>have accepted an offer of admission to a UGC-funded bachelor degree programme, and</li> <li>have submitted their refund application before the commencement of the semester concerned, and</li> <li>have submitted their supporting documents (e.g. offer letter from a UGC-funded degree programme), and</li> <li>have settled a non-refundable and non-transferable administrative charge of \$200 per refund application per programme</li> </ol> <p>(Application fee and tuition fee payments are non-refundable and non-transferable)</p>



Institution	Application information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Hong Kong Baptist University – College of International Education	Feb 2012 – Aug 2012	\$200	4/F, David C. Lam Building, Shaw Campus, Hong Kong Baptist University, 34 Renfrew Road, Kowloon Tong 8 On Mut Street, Shek Mun, Shatin	3411 3266	cie@hkbu.edu.hk	HKALE Period: 29 Jun (Fri) to noon 5 Jul (Thu) Payment of deposit by noon 5 Jul (Thu)  HKDSE Period: 20 Jul (Fri) to noon 25 Jul (Wed) Payment of deposit by noon 25 Jul (Wed)  Walk-in application will be available at Kowloon Tong and/or Shek Mun Campus. Please visit the College website for details  No claim offer arrangement	HKALE Period: 6 Jul (Fri) to 25 Jul (Wed) Payment of deposit within 2 working days from the date of offer  HKDSE Period: 26 Jul (Thu) to 16 Aug (Thu) Payment of deposit within 2 working days from the date of offer  Release of JUPAS results onwards:  HKALE: 26 Jul (Thu) onwards No deposit payment, payment of the 1 <sup>st</sup> semester tuition fee by 28 Jul  HKDSE: 17 Aug (Fri) onwards No deposit payment, payment of the 1 <sup>st</sup> semester tuition fee by 20 Aug	\$5,000	Enrolment deposits will be refunded to applicants who:  (1) have accepted an offer of admission to a UGC-funded bachelor degree programme, and  (2) submit their refund application before the commencement of the applied Associate Degree programme, subject to submission of supporting documents (e.g. offer letter from UGC-funded degree), and  (4) a non-refundable and non-transferable administrative charge of \$200 per refund application per programme  (Application fee and tuition fee payments are non-refundable and non-transferable)
Hong Kong Baptist University – School of Continuing Education	Mar 2012 – 28 Jul 2012	\$200	By-mail application 2/F, Frank Centre, 320 Junction Road, Kowloon Tong  In-person application on the specified dates (please refer to programme website for the exact dates) Madam Chan Wu Wan Kwai Sze Tower, Hong Kong Baptist University, 9 Baptist University Road, Kowloon Tong	3411 4300	seesoc@hkbu.edu.hk	HKALE Period: 29 Jun (Fri) to noon 5 Jul (Thu) Payment of deposit by noon 5 Jul (Thu)  HKDSE Period: 20 Jul (Fri) to noon 25 Jul (Wed) Payment of deposit by noon 25 Jul (Wed)  Walk-in interview on-site and confirm offer by 7 Jul (HKALE) and 27 Jul (HKDSE)  No claim offer arrangement	HKALE Period: 6 Jul (Fri) to 25 Jul (Wed) Payment of deposit within 2 working days from the date of offer  HKDSE Period: 26 Jul (Thu) to 16 Aug (Thu) Payment of deposit within 2 working days from the date of offer  Release of JUPAS results onwards:  HKALE: 26 Jul (Thu) onwards No deposit payment, payment of the 1 <sup>st</sup> semester tuition fee by 28 Jul  HKDSE: 17 Aug (Fri) onwards No deposit payment, payment of the 1 <sup>st</sup> semester tuition fee by 20 Aug	\$5,000	Enrolment deposits will be refunded to applicants who:  (1) have accepted an offer of admission to a UGC-funded bachelor degree programme, and  (2) submit their refund application before the commencement of the applied Higher Diploma programme, subject to submission of supporting documents (e.g. offer letter from UGC-funded degree), and  (4) a non-refundable and non-transferable administrative charge of \$200 per refund application per programme  (Application fee and tuition fee payments are non-refundable and non-transferable)

Institution	Application information						Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee	
Hong Kong College of Technology	2 Jan 2012 – 20 May 2012 (first round) 21 May 2012 – until further notice (Second round)	\$120	HKCT Locky Club Ma On Shan Campus Yiu On Esplanade, Ma On Shan, N.T.  Causeway Bay Campus 412 Hennessy Road, Causeway Bay, Hong Kong	2926 1222	enquiry@hkct.edu.hk	<ul style="list-style-type: none"> <li>Claim offer on 29 Jun (HKALE) or 20 Jul (HKDSE), 9:00am – 9:00pm</li> <li>Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: confirm offer after interview subject to merits of applicants and availability of places</li> </ul>	Within 2 working days after receiving the offer.	\$5,000	Yes, if an applicant has accepted an offer of a UGC-funded degree programme through JUPAS and will give up our offer  Deadline for application for refund: 28 Jul for HKALE and 20 Aug for HKDSE  Full refund with an administrative fee of \$200	
Hong Kong Institute of Technology	1 Feb 2012 – 30 Sep 2012	\$150	No. 2 Beezy Path, Mid-Levels West, Hong Kong  No. 658, Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2782 2433	enquiry@hkvt.edu.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Registration and payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: will arrange seat in; tentatively 9am-9pm; may confirm offer immediately or within 1 day subject to merits of applicants and availability of places</li> </ul>	Within 2 working days after receiving the offer.	\$3,280	Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong  Full refund with admin fee of \$300	
Hong Kong Shue Yan University	HKALE: 29 Jun 2012 – 14 Jul 2012  HKDSE: 13 Feb 2012 – 15 Mar 2012	\$200	Admission Office Hong Kong Shue Yan University, 10 Wai Tsui Crescent, Braemar Hill Road, North Point, Hong Kong	Admission Office 2570 7110	admit@hksyu.edu.hk	<ul style="list-style-type: none"> <li>Admission results to be announced on SYU website starting on 25 Jul</li> <li>Tuition fee to be paid between 27 Jul and 3 Aug</li> <li>Walk-in only</li> </ul> <ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 25 Jul</li> <li>No walk-in</li> </ul>	HKALE N/A (no deposit required)  HKDSE No auxiliary round	HKALE N/A (Tuition fee of 1 <sup>st</sup> Semester: \$27,500)  HKDSE \$5,000	HKALE N/A  HKDSE Yes, if student has been admitted to a publicly-funded (JUPAS) degree programme  Full refund with admin fee of \$500 within 2-3 months	
Lingnan University - The Community College at Lingnan University	9 Feb 2012 – 30 Sep 2012	\$100	Headquarters UGC01, New Academic Block, Lingnan University, Tuen Mun, N.T.  Tsui Sha Tsui Education Centre 2/F, Tsui Sha Tsui Centre, 66 Mody Rd, TST East, Kowloon	Headquarters 2616 8247 / 2616 8274  Tsui Sha Tsui Education Centre 2723 3268	cc@ln.edu.hk	<ul style="list-style-type: none"> <li>Applicants should: <ul style="list-style-type: none"> <li>pay an acceptance fee by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in: admission from 29 Jun – 2 Jul and 20 – 22 Jul, walk-in applicants will be interviewed and may be provided with an offer on-site subject to merits of applicants and availability of places</li> </ul> </li> </ul>	Within 3 working days after receiving the offer.	\$5,000 (acceptance fee)	Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong  Full refund with admin fee of \$500	

Institution	Application Information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Tai Ching Academy	Jun 2012 – 22 Sep 2012	\$200	42 Gascoigne Road, Kowloon	2332 6611	info@tca.edu.hk	<p>Applicants should:</p> <ul style="list-style-type: none"> <li>confirm acceptance of offer within 2 working days (including Sat) after receiving the offer</li> <li>pay an enrolment deposit by noon 25 Jul (HKDSE)</li> </ul> <p>Will consider walk-in applications and may confirm offers on-site subject to merits of applicants and availability of places</p>	<p>Within 2 working days after receiving the offer (for both HKALE and HKDSE)</p>	\$4,750	<p>Yes, if student has accepted an offer from a full-time UGC-funded undergraduate degree programme in Hong Kong</p> <p>Full refund with admin fee of \$200</p>
Sacred Heart Carmelitan College of Commerce	1 Feb 2012 – 31 Aug 2012	\$100	34 Cairne Road, Central Hong Kong	2522 8290	enquiry@mail.shecc.edu.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> <li>"Info Days" (9pm-4pm) on 29 Jun, 20 Jul, 26 Jul &amp; 17 Aug to handle walk-in applications, may confirm offers immediately subject to merits of applicants and availability of places</li> </ul>	<p>Within 2 working days after receiving the offer</p>	\$3,000	<p>Yes, if student has accepted an offer from a full-time UGC-funded degree programme</p> <p>Full refund with admin fee of \$300</p>
Sivaramah College of Art and Design	Feb 2012 – Sep 2012	\$275	292, Tai Po Road, Sham Shui Po, Kowloon	2253 8044	admission_hk@scad.edu	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit anytime before start of academic year</li> <li>Walk-in: applicants to submit all required materials; SCAD to confirm acceptance decision within 4 weeks</li> </ul>	N/A (Payment of enrolment deposit anytime before start of academic year)	\$3,875	No

Institution	Application Information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
The Chinese University of Hong Kong - School of Continuing and Professional Studies	9 Feb. 2012 – 31 Aug 2012	\$100	Tsimshatsui Oriental Enrolment Centre, 13/F, Oriental Centre, 67 Chatham Road South, Tsim Sha Tsui, Kowloon  <u>Tsimshatsui East Ocean Enrolment Centre</u> Unit 01, Basement 1, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon  <u>MonaKok Enrolment Centre</u> 4/F, 50A, Shantung Street, Mongkok, Kowloon (until 30 June 2012)  <u>Central Enrolment Centre</u> 1/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong	2209 0290	ses@cuhk.edu.hk	Applicants should: <ul style="list-style-type: none"> <li>claim offer by noon after the date receiving the offer (including Sat and Sun)</li> <li>confirm acceptance of offer and pay a registration fee of \$5,000 by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)</li> </ul> Walk-in applicants may be interviewed and provided with an offer on-site subject to merits of applicants and availability of places	Within 3 working days after receiving the offer	\$5,000	Yes, if student has accepted an offer from a full-time UGC-funded undergraduate degree programme  Full refund with admin fee of \$200
The Hong Kong Academy for Performing Arts	3 Dec 2011 – 16 Mar 2012	\$300	Academic Services and Student Affairs Office 1 Gloucester Road, Wanchai, Hong Kong	2584 8554 / 2584 8579	asc@hkapa.edu	HKALE <ul style="list-style-type: none"> <li>Applicants should submit results of HKAL examinations by 2 Jul by email to asc@hkapa.edu</li> <li>The Academy will confirm offer by noon 4 Jul by phone / email</li> <li>Applicants should pay an enrolment deposit by noon 5 Jul</li> </ul> HKDSE <ul style="list-style-type: none"> <li>Applicants should submit results of HKDSE examinations by 22 Jul by email to asc@hkapa.edu</li> <li>The Academy will confirm offer by noon 24 Jul by phone / email</li> <li>Applicants should pay an enrolment deposit by noon 25 Jul</li> </ul> Walk-in applications will not be considered	Within 7 working days after receiving the offer	\$10,000	Yes, if student has accepted an offer from a full-time UGC-funded undergraduate degree programme  Request to refund should be made by the applicants (by email to asc@hkapa.edu) by 5:00pm on 30 Jul for HKAL cohort and by 5:00pm on 20 Aug for HKDSE cohort. Late requests will not be entertained  Full refund with admin fee \$500

Institution	Application information						Admission arrangement		
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
The Hong Kong Institute of Education	Degree: Nov 2011 – 31 Aug 2012 Sub-degree: Feb – Sep 2012	Degree: \$150 for each programme Sub-degree: \$200 for each programme	Admissions and Registrations Section Room A, 2/F-07, 10 Le Ping Road, HKIEd, Tai Po	Admissions and Registrations Section 2948 6886	admission@icd.edu.hk	<ul style="list-style-type: none"> <li>Claim offer by end of 29 Jun (HKALE) or 20 Jul (HKDSE)</li> <li>Payment of deposit by noon of 5 Jul (HKALE) or 25 Jul (HKDSE)</li> <li>Walk-in interview candidates and make offer to qualified candidate on the spot subject to availability of places</li> </ul>	Degree: Within 1 – 2 working days after receiving the offer Sub-degree: Within 1 – 2 working days after receiving the offer	Degree: \$8,520 Sub-degree: \$5,000	Yes, if student has accepted an offer from UGC-funded programmes  Request to refund should be made by the applicants via email on or before 28 Jul (HKALE) and 19 Aug (HKDSE). Late request will not be entertained  No admin fee will be charged
The Hong Kong Polytechnic University - Hong Kong Community College	Early Jan – 20 May 2012 (first round) 25 May 2012 – 26 Jun 2012 (second round)	\$150	Admissions Section HKCC Hung Hom Bay Campus 8 Hung Lok Road, Hong Hom, Kowloon	3746 0123	ceadmission@hkce-po.yu.edu.hk	<ul style="list-style-type: none"> <li>Holders of Provisional Offer should claim their offers by noon 30 Jun (HKALE) or by noon 21 Jul (HKDSE);</li> <li>For early applicants (applied by 26 Jun) without provisional offers, admission result will be announced on 1 Jul (HKALE) or 22 Jul (HKDSE);</li> <li>Payment deadline of registration fee: noon 5 Jul for HKALE, or noon 25 Jul for HKDSE</li> </ul> <p>Walk-in application for unfilled places is accepted after public exam result announcement. For details, please refer to the College website</p>	Within 2 working days after the issuance of offer	\$5,000	If student has accepted an offer from UGC-funded degree / sub-degree programmes, and apply for refund before noon 27 Jul (HKALE) or noon 18 Aug (HKDSE), he/she may apply for a refund of registration fee. An admin fee of \$200 will be charged
The Open University of Hong Kong	1 Feb 2012 – 24 Aug 2012 (direct applications only as OUHK does not join E-APP)	\$200 (direct applications)	College of Full-time Studies Room C0512 30 Good Shepherd Street Ho Man Tin, Kowloon (for direct applications to OUHK)	Information Centre 2711 2100  College of Full-time Studies 2768 6658	info@ouhk.edu.hk  itreg@ouhk.edu.hk	<p><b>Higher Degree</b> Follow JUPAS procedures and schedule</p> <p><b>Ordinary Degree</b></p> <ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit fee by noon 5 Jul (HKALE) and noon 25 Jul (HKDSE)</li> <li>No walk-in. However, applicants can still submit applications until 24 Aug</li> </ul> <p><b>Higher Diploma</b></p> <ul style="list-style-type: none"> <li>Interviews will be conducted after noon 5 Jul (HKALE) and noon 25 Jul (HKDSE)</li> <li>Form offers will be issued to HKALE/HKDSE candidates subject to merits of applicants and availability of places</li> </ul>	Ordinary Degree and Higher Diploma After 5 Jul (HKALE) or 25 Jul (HKDSE), form offers will be made. Full fee will be collected within 3 – 10 calendar days after receiving the offer	\$3,000	No

Institution	Application Information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
The Open University of Hong Kong - Li Ka Shing Institute of Professional and Continuing Education	9 Feb 2012 – 10 Aug 2012	No application fee	Island Learning Centre 4/F, Shun Tak Centre, 168 Connaught Road Central, HK <u>OUHK-CITA Learning Centre</u> 201-203, Lai King Hill Road, Kwai Chung (opposite to Exit A1, MTR Lai King Station)	2291 0238	lpsc@ouhk.edu.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Payment of deposit by noon 5 Jul 2012 (HKALE) or noon 25 Jul (HKDSE)</li> <li>Walk-in applicants confirm offer on-site subject to merits of applicants and availability of places</li> </ul>	Within 4 to 7 working days after receiving the offer	\$5,000	Yes, if student has accepted an offer from UGC-funded programme  No admin fee is required
The University of Hong Kong - HKU SPACE Community College	9 Feb 2012 – 31 Aug 2012	\$150 through E-APP  \$300 through other channels	HKU SPACE Community College Kowloon East Campus 1/F, 28 Wang Eoi Road, Kowloon Bay, Kowloon	Admission Hotline 3416 6338	ccadmissions@hkuspace.hku.hk	<ul style="list-style-type: none"> <li>E-APP</li> <li>Claim offer by noon next day (including Sat and Sun) after receiving the offer</li> <li>Payment of deposit should be made by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE) after the release of public exam results</li> <li>Applicants who do not meet conditions on the conditional offer but meet the minimum entrance requirement might be invited to attend an interview (interview date for HKAL applicants: 2-5 Jul, interview date for HKDSE applicants: 22-25 Jul)</li> <li>Confirm offer subject to merits of applicants and availability of places</li> </ul>	HKAL applicants (apply before 25 Jul)  Deposit must be made within 3 working days after receiving offer  HKAL applicants (apply on or after 25 Jul)  No deposit is required, but first instalment of tuition fee must be paid within 3 working days after receiving offer  HKDSE applicants (apply before 16 Aug)  Deposit must be made within 3 working days after receiving offer	\$5,000	Applicants who accepted a full-time government-funded bachelor's degree programme offered by a local university can apply for a refund of the enrolment deposit by 28 Jul for HKAL applicants or 20 Aug for HKDSE applicants. An established refund case will be subject to an administrative charge of \$250 for applicants who have paid the enrolment deposit or 5% of the tuition fee for those who have settled the first instalment of the tuition fee
Tung Wah College	1 Nov 2011 – 31 Aug 2012	\$200	31 Wylie Road, Tsimshatsui, Kowloon	3190 6672	twc@twe.edu.hk	<ul style="list-style-type: none"> <li>Walk-in admission, on-site interview</li> <li>1<sup>st</sup> Walk-in Admission: 29 Jun - 1 Jul after 16 Aug</li> <li>2<sup>nd</sup> Walk-in Admission: 20 - 22 Jul</li> <li>3<sup>rd</sup> Walk-in Admission: 26 - 28 Jul<sup>@</sup></li> <li>4<sup>th</sup> Walk-in Admission: 17 - 19 Aug<sup>@</sup></li> <li>Confirm offer subject to merits of applicants and availability of places</li> </ul> <p><sup>@</sup>Depends on the availability of programmes' places</p>	Within 2 working days after receiving the offer	\$5,000	Yes, student who has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong can apply for refund of the enrolment deposit on or before 1 Aug (HKALE) and 25 Aug (HKDSE)  Full refund with admin fee of \$200

Institution	Application Information					Admission arrangement			
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
Vocational Training Council	57 Applicants 4 May 2012 – 30 June 2012 (late application) 55 Applicants 4 May 2012 – 20 July 2012 (late application)	\$300	VTC Admissions Office Room 032, G/F, 6, Oi Kwan Road, Wan Chai, Hong Kong	2897 6111	admission@vtc.edu.hk	Admission Arrangements for Post-secondary 7 Programmes (1) Applicants meeting the requirements of conditional offers; or (2) Walk-in applicants with offers given from 29-30 Jun should pay the registration fee by noon 5 Jul and complete the registration procedures in person at the programme offering campus before the stipulated deadline stated in the Fee Payment Advice  Admission Arrangements for Post-secondary 6 Programmes (1) Applicants meeting the requirements of conditional offers should accept the offer online on 20 Jul from 11:00am to 6:00pm; (2) Applicants without offers or have not accepted First Round offers can change / re-prioritise their programme choice online on 20 Jul from 11:00am to 6:00pm; (3) Walk-in fresh applicants can submit their applications at IVE, HKDI, YC campuses on 20 Jul from 9:00am to 6:00pm; (4) Results of the Second Round Offer will be announced on 21 Jul at 10:00am; (5) All applicants with offers should pay the registration fee by noon 25 Jul and complete the registration procedures in person at the programme offering campus before the stipulated deadline stated in the Fee Payment Advice	Within 3 working days after receiving the offer	\$5,000	Yes, if student has been admitted to a UGC-funded full-time degree programme offered through JUPAS  Application period for refund (HKALE students: on or before 1 Aug; HKDSE students: on or before 22 Aug)  Full refund with admin fee of \$500
Yew Chung Community College	3 Jan 2012 – 31 Aug 2012	\$200	7/F, International Trade & Exhibition Centre No. 1 Tractemart Drive Kowloon Bay, Kowloon	Customer Hotline 3977 9877	info@yccc.edu.hk	No claim offer arrangement • Applicants should pay an enrolment deposit by noon 5 Jul (HKALE) or noon 25 Jul (HKDSE)  Walk-in applicants may be interviewed and provided with an offer on-site subject to merits of applicants and availability of places	Within 3 working days after receiving the offer	\$5,000	Yes, if student has accepted an offer from full-time UGC-funded undergraduate degree programme in Hong Kong  Full refund with admin fee of \$200

Institution	Application information				Admission arrangement				
	Application period	Application fee	Venue(s) for application	Contact no.	Email	Admission procedure during main round offer period (HKALE: 29 Jun – 5 Jul; HKDSE: 20 Jul – 25 Jul)	Payment of enrolment deposit/registration fee in subsequent rounds of offer (HKALE: 6 Jul onwards; HKDSE: 26 Jul onwards)	Amount of enrolment deposit/registration fee	*Refund of enrolment deposit/registration fee
YMCA College of Careers	Jul 2012 – Sep 2012	\$250	23 Waterloo road, Kowloon	2783 3500 / 2783 3509	info_eee@ymca.org.hk cooctr@ymca.org.hk	<ul style="list-style-type: none"> <li>No claim offer arrangement</li> <li>Applicants should pay the registration fee by noon 25 Jul (HKDSE)</li> </ul> Walk-in: may confirm offers subject to merits of applicants and availability of places	Within 2 working days after receiving the offer (for both HKALE and HKDSE)	\$4,200	Yes, student who has accepted an offer of a full-time UGC-funded degree programme in Hong Kong can apply for full refund of registration fee. Admin fee is \$250  Refund application must be submitted on or before noon, 21 Aug, with copies of offer letter and receipt issued by the UGC-funded institution  Registration fee is non-transferable

# The information contained in the summary table is provided by institutions for general reference purpose. For details, please contact individual institutions direct.  
 \* Enrolment deposit/registration fee is normally non-refundable. Refund would only be considered on exceptional cases.



**Appointment of Non-official Members of Statutory and Advisory Bodies**

13. **MR WONG YUK-MAN** (in Chinese): *President, in appointing non-official members of statutory or advisory bodies, the Government generally needs to follow the Six-year Rule and Six-board Rule (6-6 Rules), that is, each person appointed should not hold more than six such public offices at any one time and should not serve on a body in the same capacity for more than six years. In this connection, will the Government inform this Council:*

- (a) *of the current number of statutory and advisory bodies the chairpersons or members of which are appointed by the Government;*
- (b) *of the current number of persons serving concurrently on four or more statutory or advisory bodies as non-official members; and*
- (c) *given that it has been reported that the Government has appointed persons from the same political parties or chambers of commerce to which the outgoing members are affiliated to fill the vacated offices, has re-appointed persons to the same public offices which they have left one to two years ago, and there are even incidents where some people have been appointed to the same public offices for over six years thus violating the "6-6 Rules", of the reasons why the authorities have adopted such practices?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President, the "6-6 Rules" are general guidelines applicable to government appointments of non-official members to advisory and statutory bodies (ASBs) made in their personal capacities.

- (a) As at 30 September 2012, there were 398 ASBs the chairmen or members of which were appointed by the Government to the bodies concerned as non-official members in their personal capacities.
- (b) As at 30 September 2012, 242 persons were appointed by the Government in their personal capacities and serving on four or more ASBs as non-official chairmen or members.

- (c) The Government makes appointments of non-official members to ASBs on the basis of the merit of individuals concerned in order to meet the needs of the ASBs and to ensure that the composition of ASBs broadly reflects the interests and views of the community. In the process, the Government considers factors such as a candidate's ability, expertise, experience, integrity and commitment to public service; the functions and nature of the ASB concerned; and the need for effective operation or continuity of work. For statutory bodies, the appointing authorities also take into account the relevant statutory requirements. The appointing authorities may, having regard to individual circumstances and if necessary, re-appoint previous members of an ASB to participate in its work again, adjust the tenure of members, or deviate from the "6-6 Rules".

### **Repayment of Loans Provided Under Student Financial Assistance Schemes**

14. **MR GARY FAN** (in Chinese): *President, I have received a request for assistance from a member of the public, who said that he had been granted loans by the Student Financial Assistance Agency (SFAA) when he attended a publicly funded undergraduate programme from 2001 to 2004; and he was subsequently issued a permanent Registration Card for Persons with Disabilities by the Labour and Welfare Bureau because of brain disease. In the past few years, the SFAA had all along rejected his application for waiver of repayment of loans on grounds of permanent disability and incapacity. In this connection, will the Government inform this Council:*

- (a) *whether the SFAA has formulated any criteria for waiving repayment of loans; if it has, of the details, and whether applicants holding Registration Cards for Persons with Disabilities is one of the criteria; if not, the reasons for that;*
- (b) *of the number of applications received by the SFAA from loan borrowers in the past five years for waiver of repayment of loans on grounds of incapacity or permanently disabilities; and*
- (c) *whether the SFAA will review its existing mechanism and consider waiving repayment of loans by those people mentioned in part (b); if it will, when it will complete the review; if not, of the reasons for that?*

**SECRETARY FOR EDUCATION** (in Chinese): President,

- (a) It is the Government's student finance policy to ensure that no student is denied access to education due to lack of means. Eligible students may, depending on their situations, apply to the SFAA for assistance in the form of grant and/or loan to pay for their tuition fees, academic expenses and/or living expenses. Loan borrowers are required to repay their loans upon completion or cessation of studies in accordance with the terms for the loans.

The SFAA appreciates that individual loan borrowers may have difficulties in repaying their loans and therefore has put in place an effective mechanism for handling such situations. If loan borrowers are unable to repay their loans owing to financial hardship, further full-time studies or serious illness, they may apply to the SFAA for deferment of loan repayment. The SFAA will, on the basis of individual merits, consider approving deferment of loan repayment, temporary adjustment of the quarterly repayment amount or extension of repayment period to relieve loan borrowers' financial burden and help them tide over the difficulties. In the 2011-2012 academic year, the SFAA received a total of 10 034 deferment applications. Of them, 86% were approved.

As student loans are funded by public money, the SFAA has to consider each write-off case cautiously in order to safeguard the proper use of public money. Under the prevailing policy, the SFAA will only consider writing off student loans under the following circumstances:

- (i) on compassionate grounds if the debtor (that is, the student loan borrower) has passed away;
- (ii) where all efforts to contact a defaulter and his/her indemnifier(s) have failed, and the loan proves irrecoverable;  
or
- (iii) where write-off action is advised by the Department of Justice.

- (b) In the past five years, the SFAA received three applications for waiver of repayment of student loans from loan borrowers on the grounds of incapacity or permanent disabilities. The SFAA has, in accordance with the prevailing deferment mechanism, approved the deferment of their loan repayment to help them tide over their difficult times.
- (c) Loan borrowers suffering from illness or disabilities may apply for deferment of loan repayment through the existing mechanism if they encounter difficulties in repaying their loans. In order to ease the repayment burden of loan borrowers, starting from the 2012-2013 academic year, the Government has reduced the interest rate of means-tested living expenses loans from 2.5% to 1% per annum and that of non-means-tested loans from 3.174% to 1.674% per annum (subject to review after three years). The new interest rates took effect from 1 July 2012. The Government has also extended the standard repayment period for means-tested and non-means-tested loans from five and 10 years respectively to 15 years. Besides, the deferment arrangement has also been relaxed. Loan borrowers whose deferment applications have been approved would be allowed an extension of the loan repayment period without interest during the approved deferment period, subject to a maximum of two years, meaning that their entire repayment period can be up to 17 years. Loan borrowers who have difficulty in repaying their loans would benefit from these measures.

Separately, the SFAA is exploring ways of handling some special cases, such as loan borrowers suffering from severe illness or disabilities, and would consider, without compromising the integrity of the loan schemes, whether there should be discretionary write-off of the loans of these loan borrowers upon application. The study is expected to be completed by the end of this year.

### **Inspection and Caring of Trees**

15. **MR CHAN HAK-KAN** (in Chinese): *President, recently, a branch of a Chinese Banyan tree at Lam Tsuen San Tsuen in Tai Po snapped, fell and hit a*

passing lorry, killing one person and injuring another. Earlier on, a hundred-year-old Chinese Banyan tree at Park Lane Shoppers' Boulevard in Tsim Sha Tsui collapsed, injuring five persons. A tree nearby was subsequently found to have diseases and thus removed. Moreover, during the time when Hong Kong was hit by Typhoon Vicente and the Hurricane Signal No. 10 issued by the Hong Kong Observatory was in force, a multitude of trees fell in various districts. These incidents of tree collapse have once again aroused public concern about the health of trees and safety issues. In this connection, will the Government inform this Council:

- (a) *as the Development Bureau had stated, in its Progress Report on the Work of the Tree Management Office (TMO) submitted to this Council in July 2011, that "Focusing on areas with high pedestrian or vehicular flow, tree management departments first carry out a tree group inspection for locations under their purview", of the number of trees in such areas which had been inspected by the authorities to date since the inception of the TMO; among those inspected trees, of the number which were found to have problems and required detailed inspections, as well as the total number of trees in need of risk mitigation measures (such as pruning, removal of wilted branches, treatment of pest and disease, and cabling and propping to support the trees, and so on);*
- (b) *of the number of staff members in each of the relevant government departments who are responsible for tree management work, as well as the frequency of tree inspections and the time taken for each inspection by each department; whether the authorities will require the departments to complete the inspections within a specified time limit; if they will, of the details; if not, the reasons for that;*
- (c) *given that the public can now report problem trees by phone, through the Internet or using mobile phone applications, of the average time taken by departments to deploy their staff to inspect the trees concerned upon receipt of reports, and whether the authorities will draw up any performance pledge in this regard; and*
- (d) *in addition to publishing the list of problem trees on the websites of the government departments concerned, whether the authorities will*

*consider making such information available to the public through other channels (such as putting up warning notices or signage next to the problem trees); if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, it is Government's tree management policy to promote a holistic greening approach, embracing adequate space allocation for new planting, proper selection of planting species, quality landscape design and planting practices as well as proper works implementation in the upstream and through regular monitoring of tree conditions and professional vegetation maintenance downstream. The protection of public safety is a priority consideration.

My reply to Mr CHAN Hak-kan's question is as follows:

- (a) The Government adopts an "integrated approach" in tree management work. In short, the department responsible for the maintenance of an area or a facility is also responsible for the maintenance of trees there. We have also referred to the guidelines of the International Society of Arboriculture in formulating tree risk assessment methods. Tree risk assessment is conducted in two stages. In the first stage, which involves an "area basis" assessment, the departments will first identify those areas with high pedestrian or vehicular flow under their management. In the second stage, which involves a "tree basis" assessment, the departments will conduct tree group inspections at locations with high pedestrian or vehicular flow and identify trees that are important or have problems in order to reduce potential tree failure hazards that may endanger the general public.

In 2012, tree management departments inspected about 22 500 tree groups at locations with high pedestrian or vehicular flow and selected 5 011 trees among them for detailed inspection. The departments undertook about 19 350 mitigation measures, including pruning, removing dead branches, controlling pests and diseases, and cabling and propping as support to trees.

We cannot provide comparable data for 2011 and 2010 as the data collection methods for these two years are different. In 2011, the tree management departments inspected about 20 000 tree groups at locations with high pedestrian or vehicular flow and selected 7 400 trees amongst them for detailed inspection. In 2010, the tree management departments conducted detailed inspections for about 1 500 trees.

- (b) The TMO of Development Bureau has a staff of 16 people, comprising professional, front-line and clerical officers. The TMO is responsible for formulating tree management policies, developing operational guidelines and co-ordinating the tree management work of various departments. The number of staff responsible for tree management work in the tree management departments is as follows:

<i>Name of Department</i>	<i>Number of Staff</i>
Agriculture, Fisheries and Conservation Department	86
Architectural Services Department	16
Civil Engineering and Development Department	14
Drainage Services Department	16
Highways Department	23
Housing Department	31
Leisure and Cultural Services Department	210
Water Supplies Department	27
Lands Department	12

The abovementioned staff totals about 450. Other staff members in individual departments may also carry out tree management work in the course of performing other duties. In addition, contractors are hired to carry out tree risk assessment, inspections, tree care and mitigation measures.

For trees at locations with high pedestrian or vehicular flow under their management, the tree management departments normally conduct tree risk assessment once a year before the rainy and typhoon season. For trees listed in the Register of Old and Valuable Trees, detailed inspection is required at least twice a year.

Trees that are found to have problems are inspected in a timely manner as and when necessary. The time required for inspection of tree groups and individual trees may vary in different cases. At present, the Lands Department is planning an inspection exercise for trees in the rural areas, targeting at trees on unleased Government land or village roads with relatively high pedestrian and traffic flow. The Department is compiling information on the village roads concerned to facilitate allocation of resources (including hiring contractors) for the inspection exercise and follow-up actions for problem trees.

- (c) The departments will take action according to the nature of the problem tree reports received, which are broadly divided into two categories: (1) emergency cases — cases that may pose a hazard to the life and property of the general public; and (2) non-emergency cases.

In a case involving a collapsed or problematic tree that has given rise to an emergency situation where life and property are endangered, regardless of whether the land on which the tree stands is owned and managed by the Government or a private party, the Fire Services Department and the police will deal with it in the first instance.

For non-emergency cases, that is, when no risk is posed to life and property, the tree management department responsible for overseeing the land where the problem tree is will inspect and follow up on the matter as soon as possible under the "integrated approach". For trees on private land, the Lands Department will notify the land owner concerned to take follow-up action.

- (d) A Tree Register has been compiled and information on important trees (including Old and Valuable Trees and stonewall trees) and problematic trees that require close monitoring are published through the Internet. The Register contains detailed information on the distribution and conditions of trees as well as the mitigation measures taken. It is updated regularly. Apart from disseminating such information through the Internet, the tree management departments display information in the Register, including tree



registration numbers, species names, responsible departments and contact telephone numbers, on tree labels attached to tree trunks for public reference.

### **Hong Kong Science Park**

16. **MR CHARLES PETER MOK** (in Chinese): *President, the Hong Kong Science Park (Science Park) provides purpose-built research and development office spaces, advanced laboratories and technical support services to more than 300 science and technology companies. However, it has been reported recently in the media that in the park, "half of the offices of the companies are in darkness during office hours, and quite a number of offices are occupied by 'empty chairs' only." In this connection, will the Government inform this Council:*

- (a) *whether it has conducted any investigation into the aforesaid report; if so, of the outcome, and the actual utilization rate of the Science Park excluding those offices with "empty chairs" only; whether it knows the current occupancy rate of the Science Park and the number of enterprises waiting to be admitted into the Science Park; and*
- (b) *whether it knows the criteria based on which the Hong Kong Science and Technology Parks Corporation (HKSTPC) vets and approves applications for admission to the Science Park at present; how the Corporation ensures that the tenants are really engaged in research and development in science and technology; whether the tenants are required to make full use of their rented office spaces, and of the mechanism to deal with cases in which such requirement is violated?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): *President, in response to the media report referred to in Mr Charles Peter MOK's question, the HKSTPC has written to the media concerned to clarify that the report was not true.*

Our reply to the sub-questions is as follows:

- (a) According to information provided by the HKSTPC:
- (i) as at September 2012, there was a total of about 390 technology-based companies in the first two phases of the Science Park and the overall occupancy rate was about 95%; and
  - (ii) at present, there are around 20 technology-based companies applying for admission to the Science Park, involving a floor area of some 41 000 sq ft. The applications are being processed for approval. Concurrently, about 10 companies which are already operating in the Science Park have indicated that they will move out upon expiry of their leases, involving a floor area of about 35 000 sq ft.

There are technology companies which will be applying to move into or leaving the Science Park for various reasons, an occupancy rate of 95% is in reality nearing maximum capacity. The general outlook is satisfactory. We have also secured the approval of the Finance Committee of the Legislative Council to build Phase 3 of the Science Park, and anticipate that it would be completed in stages between early 2014 and 2016.

Many of the companies admitted to the Science Park are small and medium enterprises (SMEs). A feature of these technology-based SMEs is that they have fewer staff. Their operations have to be nimble, and they will often need to interact with their peers, investors and clients outside of company premises. Hence, there is nothing untoward in finding a small number of tenants having no staff in their offices some time during office hours.

- (b) The HKSTPC has a set of published admission criteria, as detailed on its website and highlighted below:
- (i) an applicant's operation in the Science Park must contribute to the long-term economic development of Hong Kong through the development, enhancement and/or application of innovation and technology;

- (ii) the business of the applicant should be amongst the five focused technology clusters of the Science Park, that is, electronics, information technology and telecommunications, precision engineering, biotechnology and green technology;
- (iii) the applicant's major operations in the Science Park should be innovation and technology based. At least 50% of its staff and space should be used for scientific research. Companies engaging purely in sales and marketing, trading, administrative activities, and so on, are not qualified for admission; and
- (iv) an applicant's operation in the Science Park should not be primarily mass production, although small scale pilot production or high value-added production in support of product and market development and innovation is acceptable.

Under established procedures, the HKSTPC will critically evaluate all applications through detailed analysis of the information submitted by applicant companies. After admission, the HKSTPC will continue to pay attention to their operations to offer timely assistance. In accordance with the terms and conditions of the lease, tenants are required to report their latest operations to the HKSTPC annually. In case breaching of lease conditions is confirmed, the HKSTPC will take appropriate actions against the concerned company after seeking legal advice.

### **Sub-division of Flat Units, Bedspace Apartments and Cubicle Apartments**

17. **DR LAM TAI-FAI** (in Chinese): *President, regarding the Government's reply to my written question raised on 24 October 2012 concerning sub-division of flat units (commonly known as "sub-divided units"), bedspace apartments (commonly known as "caged homes") and cubicle apartments, will the Government inform this Council:*

- (a) *given that the Government instituted prosecutions in respect of 41 removal orders between 2007 and 30 September 2012, of the*

*respective numbers of sub-divided units, caged homes and cubicle apartments involved in those cases, as well as the number of those in which the persons involved were convicted and the penalties imposed on them;*

- (b) why the government departments concerned have not kept records on the numbers of unauthorized sub-divided units, caged homes and cubicle apartments in Hong Kong, as well as the numbers of households living therein; whether they have any plans to compile the relevant statistics; if so, when they will do so and complete the task; if not, of the reasons for that;*
- (c) as it has been reported by the media that in its paper submitted to the Long Term Housing Strategy Steering Committee (SC), the Government indicated that as at mid-2011, a total of 65 000 people were living in cubicle apartments, bedspace apartments and cocklofts and around 6 200 people were living in commercial and industrial buildings, making the total number of those living in sub-divided units and cubicle apartments to around 71 000, why the Government said in its reply to my question that the government departments concerned had not kept records on the numbers of unauthorized sub-divided units, caged homes and cubicle apartments in Hong Kong as well as the numbers of households living therein; whether the Government will provide the paper to this Council; if not, of the reasons for that;*
- (d) as the Government has said that cubicle apartments and sub-divided units are not defined in the Buildings Ordinance (Cap. 123) (BO), how the law-enforcement authorities take effective enforcement actions against unauthorized cubicle apartments and sub-divided units, and whether it has any plan to amend the Ordinance to add the definitions; if not, of the reasons for that;*
- (e) as the Government has said that the Buildings Department (BD) has been issuing removal orders against unauthorized building works in sub-division of flat units, but it has not categorized such units into sub-divided units, caged homes and cubicle apartments, why it has not made such categorization, and whether it has any plans to do so;*

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- (f) *of the total number of licensed bedspace apartments and the estimated number of unlicensed bedspace apartments throughout the territory at present;*
- (g) *as the Government has said that in the past five years, the Office of the Licensing Authority (OLA) under the Home Affairs Department instituted prosecutions against two cases of suspected operation of unlicensed bedspace apartments, and those involved in the cases were convicted by the Court and fined \$3,000 and \$9,740 respectively, whether the Government has assessed if the number of prosecutions instituted was on the low side, and whether the penalties were too light; if it has, of the details; if not, the reasons for that;*
- (h) *as the Government has said that normally the BD does not register at the Land Registry warning letters issued during enforcement actions in respect of unauthorized sub-divided units, caged homes and cubicle apartments (commonly known as "imposing an encumbrance"), of the reasons for that;*
- (i) *as the Government has said that if the owners do not comply with the removal orders within a specified period of time, the BD may carry out the works concerned through government contractors and the costs of the works, together with supervision and additional charges, shall be recoverable fully from the owners, of the annual number of cases in which the BD carried out such works through government contractors in the past five years, the costs involved and whether they had been fully recovered from the owners concerned;*
- (j) *as the BD issued a total of 527 removal orders during the period from 2007 to September 2012, of which 166 orders have been complied with while 361 orders have not and are being followed up, of the problems involved in those 361 cases and the reasons for not instituting prosecutions so far, and how the BD will follow up such cases;*
- (k) *given that a member of SC has suggested converting industrial buildings to hostels, thereby turning them into "legalized sub-divided*

*units", whether the Government will assess the feasibility of the suggestion; if it will not, of the reasons for that; if it will, the details, and whether the Government will consider relaxing the plot ratios for industrial buildings being converted to such purpose; if it will, of the specific recommendations; if not, the reasons for that;*

- (l) why the government departments concerned do not have statistics of accidents and incidents related to sub-divided units, caged homes and cubicle apartments, and whether they have any plans to compile the relevant statistics; if not, of the reasons for that;*
- (m) as the Government has not given answers in respect of the details of the appropriate safety and hygiene standards which the Chief Executive has pledged to set, whether it can provide a direct response to this question; if not, of the reasons for that;*
- (n) as the Government has not given answers in respect of the time to start and finish drawing up the appropriate safety and hygiene standards, as well as setting long-term policies to solve the problem comprehensively, whether it can provide a direct response to these questions; if not, of the reasons for that; and*
- (o) as the Government has not answered whether any work indicators, objectives and time frame have been drawn up for tackling the problem of unauthorized sub-divided units, caged homes and cubicle apartments, whether it can provide a direct response to this question; if not, of the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, "sub-divided units" are not defined under the BO. The term is commonly used in the community when referring to cases where a domestic unit is sub-divided into two or more smaller self-contained units for sale or for rental. Each of these smaller units usually has its own toilet. Some even have their own cooking places. If the sub-division works do not violate any related legislation, for example, the BO and its subsidiary legislation, they are not illegal.

"Caged homes" are commonly known as bedspace apartments and the term is not defined under the Bedspace Apartments Ordinance (Cap. 447) (BAO).

According to the extant laws of Hong Kong, operation of bedspace apartments is under the regulation of the BAO. Under the BAO, a "bedspace apartment" means any flat in which there are 12 or more bedspaces used as sleeping accommodation for individuals under rental agreements; any person who operates bedspace apartments must hold a licence. The purpose of the BAO is to ascertain that the premises intended to be used as bedspace apartments comply with structural and fire safety standard as well as the requirements on sanitary configuration, so as to ensure the safety of occupants and other users of the premises.

"Cubicle apartments" are not defined under the BO either. They are generally understood to be wooden cubicles of simple construction commonly found in tenement buildings completed in the 1950s and 1960s, enabling a unit to accommodate more than one tenant or sub-tenant. Openings are usually left at the top of the wooden partitions for ventilation and light borrowing. Without their own toilets and cooking places, tenants of the cubicles have to share the toilet and kitchen present in the unit concerned. If the building works related to cubicle apartments do not violate any legislation, they are not illegal.

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

- (a) When taking law-enforcement actions under the BO, the BD only considers whether there is any violation of the BO. Therefore, the BD has made no categorization of cases involving sub-divided units, caged homes and cubicle apartments. Regarding the prosecutions in respect of the 41 removal orders for sub-divided units between 2007 and 30 September 2012, 14 cases were convicted and fined. The fines ranged from \$1,500 to \$8,000, amounting to \$45,000 in total.
- (b) As abovementioned, the BD only considers whether there is any violation of the BO when taking law-enforcement actions under the BO. If the building works involving sub-divided units, caged homes and cubicle apartments have not violated the BO, such works will not be subject to law enforcement by the BD. In addition, as there are numerous private buildings in Hong Kong, any survey for acquiring the said statistics will require substantial manpower for inspection and data collection inside the private units. Permission

from the owners or occupiers concerned will also be required for entering the premises to conduct any inspection. For such reasons, the departments concerned have not kept any records of the numbers of unauthorized sub-divided units, caged homes and cubicle apartments in Hong Kong and that of the households living therein. There is also no plan to conduct such survey.

- (c) According to the Transport and Housing Bureau, the Administration has provided the following information to the SC:

"Based on the General Household Survey of the Census and Statistics Department (C&SD), as at the second quarter of 2012, there were about 31 800 domestic households living in private temporary housing or in rooms, cubicles, bedspaces and cocklofts in private permanent housing with a total of 64 900 persons living therein. Based on the 2011 Population Census conducted by the C&SD, as at mid-2011, there were about 3 044 domestic households living in quarters in non-residential buildings (including commercial buildings and industrial buildings) with 6 230 persons living therein."

The above figures of 31 800 households and 64 900 persons cover not only the households and population living in rooms, cubicles, bedspaces and cocklofts in private permanent housing, but also those living in private temporary housing. As "sub-divided units" would be considered as living quarters (instead of rooms/cubicles) by the C&SD for statistical purposes if they have direct access to the streets, public corridors or staircases, the above figures could not be regarded as statistics relating to "sub-divided units". Moreover, the C&SD has no information on whether a unit of quarters, room/cubicle, bedspace or cockloft is an authorized structure. Also, the other departments concerned have no records on the numbers of households living in unauthorized sub-divided units, caged homes and cubicle apartments in Hong Kong.

- (d) and (e)

The main objective of the BD's law-enforcement actions is to rectify the irregularities related to sub-divided flats and cubicle apartments.



Thus the focus is to ascertain whether there is any violation of the BO in the building works inside the sub-divided flats, and whether the units concerned are cubicle apartments or sub-divided units is not a factor for consideration. Hence, the BD does not regard it as necessary to draw up any definitions of cubicle apartments or sub-divided units under the BO.

(f) and (g)

The OLA under the Home Affairs Department is responsible for the enforcement of the BAO. It is tasked with the issue of bedspace apartment licences and enforcement. The OLA's records show that there are currently 13 licensed bedspace apartments, providing a total of around 880 bedspaces used as sleeping accommodation for individuals. Over the past five years, the OLA has received a total of 103 reports of suspected operation of unlicensed bedspace apartments, including reports made repeatedly against the same premises. The OLA's investigation revealed that there were two substantiated cases which involved unlicensed operation of bedspace apartments and violation of the BAO. Prosecutions were successfully instituted in relation to these two cases.

The OLA, upon receipt of reports of suspected operation of unlicensed bedspace apartments, will conduct inspections (including surprise inspections) within eight working days. Upon investigation, if there is sufficient evidence indicating operation of any unlicensed bedspace apartment in the premises, prosecution shall be instituted.

Unlawful operation of a bedspace apartment is a criminal offence. According to section 5 of the BAO, any person who is convicted of operating an unlicensed bedspace apartment is liable to maximum penalty of a fine of \$100,000 and imprisonment for two years, and a further fine of \$20,000 for each day during which the offence continues. The Court, when meting out sentences, will consider the circumstance of each case, including the fact of the case and the background of the defendant(s) before imposing the penalty.

- (h) The BO does not empower the Building Authority to register at the Land Registry warning letters issued during enforcement actions. Nevertheless, if the BD has issued any removal orders against any irregularities, it will register at the Land Registry such removal orders issued against the premises concerned in accordance with the BO.
- (i) Among the removal orders issued between 2007 and 30 September 2012 regarding unauthorized building works related to sub-divided units, the BD has in four cases made arrangements for government contractors to carry out the removal works. The works of one of these cases commenced in 2011. Since the works have not yet been completed, the relevant costs cannot be ascertained. The works associated with the remaining three cases commenced in 2012. However, at the initial stage of the removal works, the owners concerned requested to engage their own contractors to carry out the works. Although the owners concerned have taken up the works, they would still have to pay the BD for the costs incurred in the advance works and for supervision charges, which range from \$3,800 to \$9,200. The BD is making arrangements to recover such costs from the owners concerned.
- (j) Concerning the orders issued between 2007 and September 2012 which have not been complied with (361 cases), the irregularities involved mainly include construction of unauthorized door openings which contravene the requirements for fire-resistant construction needed for means of escape; the addition of partition walls causing obstruction to fire escape; improper drainage works causing water seepage; and overloading of the building due to excessive addition of non-structural partition walls and/or excessively thickened floor screeding.

Among these 361 cases of non-compliance, over 75% of the orders (277 cases) were issued in the large-scale operations (LSO) taken in 2012. The BD will continue to follow up the cases. Under the BO, owners who have failed to comply with the orders before a specified date may be prosecuted by the BD and are liable on conviction to a maximum penalty of a fine of \$200,000 and

imprisonment for one year. The BD may also arrange a government contractor to carry out the relevant works and subsequently recover from the concerned owners the costs incurred in the works as well as supervision charges and surcharges.

- (k) The measures for revitalizing industrial buildings were introduced in April 2010 to encourage redevelopment or wholesale conversion of existing industrial buildings with a view to better utilizing precious land resources to meet the needs of social and economic developments. Currently, in converting industrial buildings for residential use, the Town Planning Ordinance (Cap. 131) and statutory plans, the BO and its subsidiary legislation, and the conditions in the relevant land leases have to be complied with. However, most industrial buildings are located on sites with zoning restricting or not permitting residential use. Even if residential use is permitted in planning terms, the conversion would face various technical difficulties, including plot ratio and site coverage, and so on, under the building and land lease control regimes. To help cope with the shortage of housing supply in the short-to-medium term, the Government is exploring whether there are feasible stopgap measures with respect to the proposal to facilitate wholesale conversion of industrial buildings to "transitional accommodation" use on an interim basis under the existing policy on revitalization of industrial buildings. The proposal is still under study.

The Report on Area Assessments 2009 of Industrial Land in the Territory conducted by the Planning Department (PD) has proposed to rezone about 60 hectares of industrial land to other suitable uses, including about 30 hectares of industrial land to be rezoned to residential use. One third of the sites to be rezoned to residential use have completed the process of statutory plan amendment. The plot ratios of such residential sites will be determined on the basis of the circumstances of individual sites and various factors, including surrounding environments, traffic capacity, supporting infrastructure, and urban design principles (such as visual quality and ventilation). The PD intends to conduct a new round of Area Assessments of Industrial Land in the Territory in 2013.

- (l) Since there is a huge variety of accidents and incidents relating to sub-divided units, bedspace apartments and cubicle apartments, and that there is no mechanism requiring related parties to report such accidents and incidents, the departments concerned have no statistics of accidents and incidents related to sub-divided units, bedspace apartments and cubicle apartments.

(m) to (o)

To ensure that proper safety and construction standards are attained, the Government has enhanced its regulation over building works associated with sub-divided units. The Building (Minor Works)(Amendment) Regulation 2012, which came into effect on 3 October 2012, has included building works associated with sub-divided units under the Minor Works Control System, so that these works would be required to be carried out by qualified professionals and contractors. As such, like other ordinary flats, the works related to sub-divided units should not be carried out in contravention of the BO and other regulations (which specify the building design and construction standards in such aspects as fire safety, structural safety and drainage works), thereby ensuring the quality of such works and minimizing the safety and sanitation problems associated with sub-divided units. The BD will also carry out random inspection on completed works to ensure the works are conducted properly.

The BD has since April 2011 launched an LSO aimed at rectifying irregularities of building works associated with sub-divided units. Since April 2012, the BD has enhanced the LSO by increasing the annual number of target buildings from 150 to 200, the target number of sub-divided units for inspection has also increased to about 1 600 accordingly. With respect to the fire at Fa Yuen Street in November 2011, the BD has adjusted its enforcement strategies in 2012 to prioritize enforcement against double-staircase buildings in the vicinity of hawker stalls. It is estimated that there are about 340 buildings of this kind. From 1 April 2011 to 30 September 2012, the BD has inspected 455 target buildings and 2 581 sub-divided units. The BD shall continue to inspect and take enforcement

actions against sub-divided units with respect to the above targets. Also, the BD shall actively deal with complaints relating to unauthorized sub-divided units in order to handle the building safety issues relating to sub-divided units.

As the licensing authority of bedspace apartment licences, the OLA, in processing a licence application, will examine an application with reference to the safety and sanitary standards in relation to building structure, fire safety and sanitation under the BO and the Fire Services Ordinance (Cap. 95). The OLA shall ascertain that the premises concerned comply with the safety and sanitary standards as provided in the relevant ordinances before issuing a licence to the applicant under the BAO.

### **Regulation of School Private Light Bus Services**

18. **MR PAUL TSE** (in Chinese): *President, some parents of school children have pointed out to me the serious overloading problem of school private light buses (SPLBs) (commonly known as "nanny vans"), and they have expressed discontent with the requirement under the existing legislation that for the purpose of establishing the number of persons that may be carried in a vehicle, three school children aged three years or above but each not exceeding 1.3 m in height shall be counted as two passengers (the requirement). In this connection, will the Government inform this Council:*

- (a) *of the number of complaints received in each of the past three years about overloading of nanny vans; how the Government handled such complaints, and whether it has stepped up law enforcement and amended the relevant legislation, so as to improve the situation; in addition, the number of accidents in which school children were injured while travelling on nanny vans;*
- (b) *whether it has assessed if the current number of nanny vans is insufficient to meet the market demand, resulting in a shortfall in nanny van services; if the assessment result shows such a situation, of the reasons for that, and whether it has reviewed if the shortfall in*

*nanny van services, coupled with the aforesaid requirement, has resulted in the prevalent overloading of nanny vans; if it has, of the review result; if not, whether it will immediately conduct such a review;*

- (c) given that some educational institutions require parents of school children to sign a "letter of consent for referral of nanny van services", which stipulates that in order to comply with the "guidelines" of the Transport Department (TD), school bus companies may arrange a student to share a seat with his companion (that is, two students taking one seat), whether the authorities have assessed if such practice contravenes the requirement; if they have, of the assessment result, and how they will follow up the matter; if not, whether they can follow it up immediately; and*
- (d) whether it has conducted any study on the exclusion of nanny vans from the vehicle classes to which the aforesaid requirement is applicable, in order to require that nanny vans must operate in the mode of "one school child taking one seat"; if it has, of the study results; if not, the policies and measures to be introduced to ensure that nanny vans, carrying school children under the mode of three school children being counted as two passengers, shall comply with the requirements under section 73(1AA) of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A) by installing seats which have high back rests, better fit children's body shape and are more effective in absorbing impact, so as to provide school children travelling on nanny vans with appropriate protection?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, the TD has all along paid much attention to the operation of student service vehicles (SSVs), to ensure the safety of students during their journeys to and from schools. To monitor the performance of SSVs, the TD takes a proactive approach by sending staff to schools in various districts to conduct irregular spot checks on such vehicles to see if there is any violation of the passenger service licence (PSL), such as unauthorized adaptation, overloading or non-provision of

escort on board. The TD also liaises with the police in co-ordinating inspection work.

Also, upon receipt of complaints, the TD will, according to the particulars of the case concerned, send staff to carry out spot checks on site the operation and arrangement of the service.

Under the above two circumstances, if it is found during inspection or investigation that the SSV concerned has breached the law or violated the PSL, the TD will follow up on the case in accordance with the relevant legislation.

In addition, regarding the operation of student service, the TD has maintained close contact with the trade by holding regular meetings to convey safety messages. Before the start of the school year, the TD reminds all educational institutions and student service operators via letters, briefs and guidelines on the points to note when providing and using the service, including safety rules for students on board, advice for the driver and escort, the required vehicle facilities and service endorsements. Such information is also uploaded onto the website of the Education Bureau for better publicity.

My replies to the four parts of the question are as follows:

- (a) In the past three years, the TD received altogether nine complaints about overloading of SPLBs, that is, one in 2010, four in 2011 and four in 2012 (as at 30 September). Investigation into the five complaints received in 2010 and 2011 has completed. Four of them did not involve overloading and the remaining one case was found to be substantiated after an inquiry by the TD. The Commissioner for Transport has decided that the PSL of the two SPLBs operated by the licence holder concerned be suspended for one month and the penalty has been implemented. As for the four complaints received after the start of the 2012 school year, investigation is still ongoing.

Under the current legislation, acts involving unauthorized adaptation and overloading are liable to a fine of \$10,000 and to imprisonment of six months. If violation of the PSL conditions is involved, the Commissioner for Transport may cancel, suspend or alter the PSL of

the licence holder after an inquiry. We consider the current penalties sufficiently deterrent.

The numbers of traffic accidents involving injuries of students on their SPLB trips to and from schools in the past three years are as follows:

<i>Year</i>	<i>Number of traffic accidents</i>	<i>Number of injured students</i>
2010	5	17
2011	8	32
2012 (as at 30 September)	7	25

The abovementioned accidents were minor in nature and the students involved suffered minor injuries.

- (b) Under the existing regulatory regime, operators of SPLBs may, according to demand and their operating conditions, apply for addition or adjustment in the number of SSVs. All they have to do is to submit an application to the TD. Vehicles can provide the service as soon as their safety standards are confirmed to be in compliance with the relevant requirements. In other words, the Government acts in concert with the supply and demand of the free market. Information provided by the TD also indicates that the number of SPLBs has increased from 1 259 in late 2011 to 1 457 at present. The above shows that the current regime has already provided sufficient flexibility to cope with market supply and demand and meet service needs.

Routine inspection by the TD shows that overloading of SPLBs is not prevalent. Any overloading cases will be dealt with strictly by the Administration in accordance with the law.

- (c) We note the parents' concern about the arrangement of "two students sharing one seat" proposed by SSV operators. It has been explained clearly to the complainants that such arrangement did not



conform to the safety guidelines concerning students travelling on SSVs and section 53(1) of the Road Traffic (Traffic Control) Regulations (the Regulations) (Cap. 374G), that is, the legitimate method for calculating flexibly the number of passengers is that "three children aged three years or above but each not exceeding 1.3 m in height may be counted as two persons". The TD has issued letters to SSV operators to remind them of the legal requirements, including clarification of the above misunderstanding.

The TD will continue to monitor closely the SSV operation to ensure compliance with the relevant legislation and the safety of school children on board.

- (d) Currently, section 53(1) of the Regulations allows the counting of three children aged three years or above but each not exceeding 1.3 m in height as two adults when calculating the number of passengers that can be carried on board. This flexible calculation method applies to all vehicles, including those providing student service. It is also stipulated in section 53(2) of the Regulations that, when carrying passengers in accordance with the relevant legislation, the driver should make sure that the passengers are seated in a properly constructed seat secured to the bodywork of the vehicle. Generally speaking, seats originally designed for two adults can be shared by three children given their smaller build.

Such legislation is not unique to Hong Kong. Similar provisions are adopted by at least 10 overseas jurisdictions including the United Kingdom, Ireland, Australia, the United States and Singapore. For example, it is specified under the United Kingdom law that three children aged below 14 years may be counted as two adults; in Australia (except Australian Capital Territory), three children aged 12 years or below are allowed to be counted as two adults on student service buses. In Hong Kong, the relevant legal requirement applies to children not exceeding 1.3 m in height. As shown by the children's growth chart used in community clinics of the Department of Health, children aged about 11 years in Hong Kong are usually taller than 1.3 m. As such, the legal requirement adopted in Hong

Kong is comparable to or more restrictive than those used in the above overseas jurisdictions.

At present, new SSVs registered on or after 1 May 2009 must comply with the requirements on passenger seats as specified under the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A), including the provision of safer seats and restraining barriers. On implementation, the TD examines every new SSV to ensure conformity with the requirements under the regulations before granting approval for registration. All SSVs have to pass an annual vehicle examination to confirm compliance with the requirements on safer seats and restraining barriers in order to have their licences renewed.

We consider that the existing legislation and measures are sufficient to protect the safety of school children using SSVs. There is no need to exclude SSVs (including SPLBs) from the requirement of "counting three children as two passengers" under the Regulations.

### **Reclamation Plan in Sham Tseng/Tsuen Wan**

19. **MR ALBERT CHAN** (in Chinese): *President, the Chief Executive has indicated in his election manifesto that he plans to restart, eight years later, the reclamation plans for which feasibility studies have been completed, including the reclamation plan in Sham Tseng/Tsuen Wan which the Government decided to shelve in 2003. On the other hand, I have learnt that Tsuen Wan Bay is located within the Victoria Harbour, and that according to the Protection of the Harbour Ordinance (Cap. 531) and the relevant judgment handed down by the Court of Final Appeal, the authorities must establish that there is an overriding public need for reclamation before it may implement reclamation plans within the Victoria Harbour. In this connection, will the Government inform this Council:*

- (a) *whether it has decided to restart the reclamation plan in Sham Tseng/Tsuen Wan eight years later; if so, of the reasons and justifications for that;*

- (b) *whether it has studied, in making the decision mentioned in part (a), if there is an overriding public need for the reclamation plan in Tsuen Wan; if the result of the study is in the affirmative, of the details; if the result of the study is in the negative, why the Government can restart the plan eight years later; and*
- (c) *whether it will undertake to uphold the policy adopted by the Government of the previous terms to permanently shelve the reclamation plan in Sham Tseng/Tsuen Wan, in order to ensure that the living environment of the residents in the district will not deteriorate; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, the manifesto of the Chief Executive sets out the guiding thoughts and objectives on Land, Planning and Transportation. On increasing land supply, he affirms that land underpins all social and economic activities because land is required for resolving housing problems, developing trades and industries, and providing public and community facilities. As such, it is critical to provide land resources timely and on an appropriate scale for the sustainable development of Hong Kong. In view of the strategic and visionary nature of land planning and utilization and the need to break out from the silo mentality, the manifesto sets forth short-, medium- and long-term measures. They include identifying short-term usable land (to be completed in two to three years), expediting land supply in newly developed zones (to be completed in three to eight years) and planning for long-term land supply (to be completed after eight years). Moreover, a multi-pronged approach shall be adopted for expanding land resources. This includes identifying land which has supporting infrastructure and can be developed readily, developing land with development potential, implementing new development areas for land supply and exploring reclamation outside the Victoria Harbour, with a view to increasing land supply in a flexible manner and building up land reserves to meet the development needs of the community, enhancing our competitiveness, raising the quality of life and housing progressively, and meeting the future demands arising from economic re-structuring and demographic changes.

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

- (a) The manifesto of the Chief Executive has mentioned restarting the reclamation plans for which feasibility studies have been completed as a guiding thought on long-term land supply after eight years for maintaining the sustainable development of Hong Kong. These reclamation plans for which feasibility studies have been completed cover areas scattered all over Hong Kong and the manifesto has quoted some districts such as northern Lantau and Sham Tseng/Tsuen Wan for illustration purpose. The manifesto also mentions actively exploring the feasibility of other reclamation areas outside the Victoria Harbour in order to meet the long-term land demand.

(b) and (c)

The present status of the reclamation plans in Sham Tseng/Tsuen Wan as referred to in the question is as follows:

- (i) The reclamation plan in Tsuen Wan refers to the study entitled "Tsuen Wan Bay Further Reclamation, Area 35 Planning, Environmental and Engineering Investigation" and the proposed works lie within the Victoria Harbour. The Government appreciates the ardent aspirations of the public to protect and preserve the Victoria Harbour, which is an invaluable natural asset of the people of Hong Kong. Therefore it announced the cancellation of a number of proposed reclamation plans within the Victoria Harbour, including the one in Tsuen Wan, in October 2003 having regard to the enactment of the Protection of the Harbour Ordinance and a judgment of the Court of Final Appeal on reclamation. For any proposed reclamation plan within the Victoria Harbour, it is foremost to tackle the issues on the overriding public interest.
- (ii) The reclamation plan in Sham Tseng of Tsuen Wan District refers to the "Planning and Engineering Feasibility Study for Sham Tseng Development". The Study was for a proposed housing development located outside the Victoria Harbour and was completed in 2003. The Government did not take forward the reclamation plan in Sham Tseng on the basis of

the then housing demand of Hong Kong. However in view of the insufficient land supply situation of Hong Kong in recent years, the Government commenced the Study on Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development last year and launched the Stage 1 Public Engagement activities. This Study includes reviewing reclamation plans for which feasibility studies have been completed, identifying other suitable reclamation sites, and listening to the views of the public on reclamation site selection criteria for conducting preliminary technical studies. The views of the public collected during the Stage 1 Public Engagement revealed that there was general consensus on the site selection criteria that encompassed social, environmental and economic effectiveness, with emphasis on the impacts on the community, environment and marine ecology. We will select potential reclamation sites carefully according to the above selection criteria and are planning to put forward several potential reclamation sites in the first quarter of next year for commencing the Stage 2 Public Engagement.

### **Special Child Care Services**

20. **MR CHEUNG KWOK-CHE** (in Chinese): *President, as at 30 September this year, there were respectively 913 and 1 072 children aged between two and six waiting for the services provided by "Special Child Care Centres" (SCCCs) and "Integrated Programme in Kindergarten-cum-Child Care Centre" (IP). Some parents have relayed to me that their children with disabilities have been waiting for these two services for over one year. Some experts have pointed out that symptoms such as obstinate behaviour, impairments in social interaction and slow language development will manifest in autistic children and will impede their learning and psychological development; if early intervention can be provided, their chances of rehabilitation may be greatly increased. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of places provided for the aforesaid two services, the respective numbers of children waiting for such*

*services and the respective average waiting time, in each of the past five years;*

- (b) of the respective numbers of children who stopped waiting for the aforesaid two services in each of the past five years because they were admitted to primary schools;*
- (c) whether it has assessed the effect of early intervention on the rehabilitation progress of autistic children; if it has, of the details; if not, the reasons for that; of the number of autistic children aged between two and six in Hong Kong in the past five years; under the existing policy and services, how the authorities cater for the rehabilitation and training needs of autistic children and children with other disabilities who are waiting for the aforesaid services; whether the authorities will provide District Support Centres for Persons with Disabilities (DSCs) with additional resources to increase the support and assistance for children with these disabilities, and whether the authorities will provide cash allowance for them to purchase rehabilitation services provided in the private sector; and*
- (d) whether the authorities will increase the places for the aforesaid services in the coming five years; if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, the Government strives to provide children with disabilities with early intervention through pre-school rehabilitation services, including Early Education and Training Centres, SCCCs, and IP, to enhance their physical, psychological and social developments, thereby improving their opportunities for attending ordinary schools and participating in daily life activities and helping their families to meet their special needs.

My reply to the question raised by Mr CHEUNG Kwok-che is as follows:

- (a) The numbers of places, numbers of children on the waiting lists and average waiting time for SCCCs and IP in the past five years are set

out in the Annex. As of September 2012, the numbers of children on the waiting list for SCCCs and IP were 1 136 and 1 104 respectively.

- (b) The service targets of SCCCs and IP are children with disabilities aged between two and six. From July 2010 to September 2012, the numbers of children who left the waiting lists for SCCC and IP upon reaching the age of six were as follows<sup>(1)</sup>:

<i>Service Type</i>	<i>Number of children leaving the waiting list upon reaching the age of six</i>		
	<i>7/2010 to 12/2010</i>	<i>1/2011 to 12/2011</i>	<i>1/2012 to 9/2012</i>
SCCC	1	6	3
IP	5	22	24

- (c) For most illnesses (including autism), early intervention enables patients to receive timely treatment and care, which in turn enhances rehabilitation progress of the patients. In this connection, we aim to provide children with autistic tendency or symptoms with the requisite support so as to ensure that they can obtain the proper treatment during their formative years. The Child Assessment Centres (CACs) of the Department of Health (DH) provide suspected autistic children with comprehensive integrated assessment services, and arrange rehabilitation services for them as necessary. After preliminary assessments at the CACs, autistic children will be referred to the Paediatrics and Adolescent Medicine or Child and Adolescent Psychiatric Specialist Outpatient Clinics of the Hospital Authority (HA) for further assessment and treatment. As a standing practice, both the DH and the HA closely monitor and review the progress of autistic children during their diagnosis and treatment process, and provide the required support according to their individual clinical situation.

(1) The Central Referral System for Rehabilitation Services — Subsystem for Disabled Pre-schoolers of the Social Welfare Department (SWD) merged with a newly implemented "Client Information System" in mid-June 2010. As the merged system has not retained previous information, the SWD could only provide the required figures starting from July 2010.

Based on the findings of the Survey on Persons with Disabilities and Chronic Diseases conducted by the Census and Statistics Department during 2006 and 2007, the estimated number of autistic persons aged below 15 was 2 500 at the time of enumeration. Owing to limited sample size of the survey, a breakdown of the number of autistic children aged between two and six was not available as the estimated figure would be subject to relatively large sampling error.

According to the information collected by the DH, the numbers of new cases in which children aged between two and six were diagnosed with autism spectrum disorders in the six CACs of the DH in the past five years were as follows:

<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
716	824	1 211	1 454	1 410

We are mindful of timely provision of pre-school training for children with disabilities. The SWD has all along been monitoring the waiting time for pre-school rehabilitation services and making full use of resources available to facilitate early provision of services for children in need. Apart from steadily increasing the number of pre-school rehabilitation places, the SWD has since December 2006 implemented a host of measures, including enhancing the computer system, simplifying application procedures and avoiding duplicate applications, and so on, with a view to streamlining the waiting arrangement.

Starting from January 2009, an additional funding of about \$35 million has been allocated annually for setting up 16 DSCs through re-engineering the community support services. They provide district-based and one-stop support services for persons with disabilities, their family members and carers. DSCs adopt an activity-oriented approach to formulate appropriate training, care, social, psychological and personal development activities, and so on, according to various needs of service users (including children with disabilities and their parents). DSCs also provide support and training services for carers of persons with disabilities to alleviate their burden and enhance their caring capacities.



Furthermore, the Community Care Fund (CCF) has since January 2012 started to provide training subsidy for children who are on the waiting list of subvented pre-school rehabilitation services, with a view to providing training subsidy for not more than 12 months for pre-school children from low-income families who are in need of rehabilitation services, thereby enabling them to receive the necessary services as soon as possible and facilitating their learning and development. Administered by the SWD, this assistance scheme provides a maximum monthly subsidy of \$2,500 for each eligible child for receiving not less than four sessions of pre-school training and parent support services. These include not less than three hours of individual or group training/therapy service provided by special child care workers, psychologists or occupational therapists/physiotherapists/speech therapists (including parallel groups with the concurrent participation of parents or guardians/carers) and family support services provided by special child care workers, psychologists, therapists or social workers. In view of the effectiveness of the scheme, the SWD is considering incorporating it into its regular subvented services. Lead time is required for a comprehensive study and consultation with the stakeholders on regularization of the scheme to ensure that the scheme will meet the needs of service users and achieve effective use of resources. During the transitional period, the Steering Committee on the CCF has endorsed the SWD's proposal to extend this assistance scheme so that the children in need may continue to receive appropriate training as early as possible.

- (d) The Government has all along been steadily increasing the number of pre-school rehabilitation places. Over the past five years (2007-2008 to 2011-2012 financial year), we have allocated funding to provide a total of 1 393 additional places, representing an increase of nearly 30% (26%). There are currently a total of 6 230 pre-school rehabilitation places. We anticipate that about 607 additional places will come on stream in the coming two years, representing approximately 11% of the number of children with disabilities currently on the waiting list of pre-school rehabilitation services.

Annex

Provision, Waiting Lists and Average Waiting Time of SCCCs and IP (2007 to 2012)

Service Type	Provision, Waiting Lists and Average Waiting Time														
	2007-2008			2008-2009			2009-2010			2010-2011			2011-2012		
	Provision	Waiting List	Average Waiting Time (Months)	Provision	Waiting List	Average Waiting Time (Months)	Provision	Waiting List	Average Waiting Time (Months)	Provision	Waiting List	Average Waiting Time (Months)	Provision	Waiting List	Average Waiting Time (Months)
	(As at 31.3.2008)			(As at 31.3.2009)			(As at 31.3.2010)			(As at 31.3.2011)			(As at 31.3.2012)		
SCCC	1 494	805	11.9	1 544	734	12.4	1 544	1 042	12.8	1 646	1 217	14.9	1 757	1 319	16.8
IP	1 860	1 041	8.3	1 860	911	8.6	1 860	1 156	8.7	1 860	1 434	10	1 860	1 536	12.2

**MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): There are four Members' motions in this meeting.

First Member's motion: Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending five items of subsidiary legislation made under the Legal Practitioners Ordinance, which were laid on the table of this Council on 17 October 2012.

I now call upon Mr Ronny TONG to speak and move the motion.

**PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

**MR RONNY TONG** (in Cantonese): President, at the House Committee meeting held on 19 October 2012, Members agreed to form a subcommittee to study the five Amendment Rules made under sections 73 and 73A of the Legal Practitioners Ordinance and gazetted on 12 October 2012.

Pursuant to the decision of the House Committee at the meeting on 2 November 2012 and in my capacity as Deputy Chairman of the House Committee, I now move that the period for scrutinizing the five Amendment Rules be extended to 5 December 2012, in order that the subcommittee concerned can have ample time to engage in deliberations.

President, the motion is set out on the Agenda. I implore Members to support the motion.

**Mr Ronny TONG moved the following motion:**

"RESOLVED that in relation to the —

- (a) Solicitors' Accounts (Amendment) Rules 2012, published in the Gazette as Legal Notice No. 151 of 2012;
- (b) Accountant's Report (Amendment) Rules 2012, published in the Gazette as Legal Notice No. 152 of 2012;

- (c) Solicitors (Professional Indemnity) (Amendment) Rules 2012, published in the Gazette as Legal Notice No. 153 of 2012;
- (d) Solicitors' Practice (Amendment) Rules 2012, published in the Gazette as Legal Notice No. 154 of 2012; and
- (e) Foreign Lawyers Practice (Amendment) Rules 2012, published in the Gazette as Legal Notice No. 155 of 2012,

and laid on the table of the Legislative Council on 17 October 2012, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 5 December 2012."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Ronny TONG be passed.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**PRESIDENT** (in Cantonese): Second Member's motion: Mr Ronny TONG will move a motion under Rule 49E(2) of the Rules of Procedure to take note of Report No. 2/12-13 of the House Committee laid on the Table of the Council in relation to the Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012.

**PRESIDENT** (in Cantonese): According to the relevant debate procedure, I will first call upon Mr Ronny TONG to speak and move the motion, and then call upon the Chairman of the Subcommittee formed to scrutinize the relevant item of subsidiary legislation to speak, to be followed by other Members. Each Member 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.

Will those Members who wish to speak please press the "Request to speak" button.

I now call upon Mr Ronny TONG to speak and move the motion.

### **MOTION UNDER RULE 49E(2) OF THE RULES OF PROCEDURE**

**MR RONNY TONG** (in Cantonese): President, in my capacity as Deputy Chairman of the House Committee, I move the motion under Rule 49E(2) of the Rules of Procedure as printed on the Agenda to enable Members to debate the Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012 in Report No. 2/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments.

**Mr Ronny TONG moved the following motion:**

"That this Council takes note of Report No. 2/12-13 of the House Committee laid on the Table of the Council on 7 November 2012 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)	Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012 (L.N. 109/2012)."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Ronny TONG be passed.

**MS CYD HO** (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012 (the Order), I wish to report on the deliberations of the Subcommittee.

The Order states that the West Kowloon Waterfront Promenade (the Promenade) ceases to be set aside for use as a public pleasure ground, and amends the Fourth Schedule to the Public Health and Municipal Services Ordinance by deleting the reference to the Promenade in that Schedule. According to the Administration, the site was delivered to the West Kowloon Cultural District Authority (WKCDA) on 3 October 2012 for its control and management.

The Subcommittee has held two meetings with the Administration and the WKCDA to scrutinize the Order and discuss the relevant authorities' way of taking forward the handing over of the management of the Promenade to the WKCDA.

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

Members are generally concerned that the Promenade is no longer subject to any statutory regulation upon the gazettal of the Order on 6 July 2012 and is currently managed by the WKCDA with a set of temporary house rules with no legal basis. They are of the view that the WKCDA should have formulated a set of bylaws concerning the use of the Promenade in accordance with section 37(1) of the West Kowloon Cultural District Authority Ordinance (the WKCDA Ordinance) (Cap. 601) before taking over the Promenade from the Leisure and Cultural Services Department (LCSD), such that the use of the Promenade would continue to be subject to statutory regulation after it was handed over to the WKCDA.

The Administration and the WKCDA have explained to the Subcommittee that the WKCDA plans to commence advance works from early 2013. Different parts of the site, including the Promenade, will have to be closed to the public from early 2013, and the majority of the Promenade will be closed to the public from approximately the third quarter of 2013 to enable the advance works to progress. Therefore, it is more practical for the WKCDA to manage the whole site, including the Promenade, with a set of temporary and administrative house rules.

Given that the house rules prepared by the WKCDA for managing the Promenade is not subject to scrutiny and approval by the Legislative Council, another concern of members is whether the house rules are more relaxed than the relevant provisions of the Pleasure Grounds Regulation. The WKCDA has advised that the house rules are drafted on the basis of the legal framework of the Pleasure Grounds Regulation and have been modified and relaxed with a view to providing a more welcoming environment for the public.

In response to members' concern, the Administration and the WKCDA have undertaken that the WKCDA will prepare the relevant bylaws in accordance with the WKCDA Ordinance in 2013, and will consult the Panel on Home Affairs or relevant subcommittee of the Legislative Council before the legislative process of the bylaws is initiated. The WKCDA has also undertaken to consult the Panel on Home Affairs or relevant subcommittee of the Legislative Council before making any amendments to the house rules.

Deputy President, although the Subcommittee will not propose any amendment to the Order, the Administration should have consulted the relevant

committee of the Legislative Council before gazettal of the Order. Members have impressed upon the Administration and the WKCD that they should handle matters relating to the West Kowloon Cultural District (WKCD) project with care and high sensitivity for the due process of the Legislative Council in scrutiny of legislative proposals.

Deputy President, the following are my personal views.

The WKCD has indeed induced enormous expectations among members of the public and the cultural sector of Hong Kong. Sometimes such expectations may run so high that they turn into flights of fancy, because we very much wish that the WKCD could be a place for the public to use freely, express their views, enjoy leisure or engage in recreation, as well as a place that provides opportunities for the local culture to flourish. However, the current situation seems that the statutory power of the LCSD to manage pleasure grounds has been devolved to the WKCD through such a slipshod process, and replaced by a set of temporary house rules with no legal basis. Moreover, in terms of the use of public areas and public spaces, there is in fact little relaxation. This point has caused much concern in this Council, particularly among Members engaged in the deliberations of the Subcommittee.

All along, we hold that there are too many prohibitions in the Pleasure Grounds Regulation enforced by the LCSD. For example, lying on grass is prohibited. Besides, President and Deputy President, this concerns you: you like playing musical instruments. I hope you have never tried to play a musical instrument in the Victoria Park without prior application; otherwise you would have committed not just civil disobedience, but also an offence, and would be arrested. In fact, such prohibitions are not conducive for members of the public to enjoy public places in a free and orderly manner. Anyway, the temporary house rules proposed by the WKCD do not seem to have made a big difference. Undoubtedly, with provisions simplified and many legal terms dropped, some provisions loaded with 300 to 400 words have been transformed into ones with 50 or 60 words.

Having said that, Deputy President, I read out some of their content. Basically, there is little difference. The seventh temporary house rule reads, "Protection of grass and flower-beds — Do not walk, run, stand, sit or lie upon: (a) any grass, turf or other place where notice to keep off such grass, turf or other



place is exhibited; or (b) any flower-bed, shrub or plant or any ground in the course of preparation as a flower-bed or for the growth of any tree, shrub or plant". Of course, if flowers and shrubs are planted there, people can neither lie there nor enter at will because they would damage the plants. However, as long as a "Keep off the grass" sign is put up on the grass, members of the public are already forbidden to enter, sit or lie. In comparison, the parks in other places would simply have a sign erected on the grass reading "Please step on me" in English. Members of the public would not be forbidden to step on it. Therefore, there are indeed two entirely different bodies of culture. The one all along adopted by the WKCD is really disappointing.

The second example is the bringing in of pets. Of course, if members of the public bring their pets with them, they should keep a close watch on them, so that these pets would not cause nuisances to the children around. The temporary house rules of the WKCD stipulates, "Pets — No person shall cause or suffer any dog or other pet or animal belonging to him, or in his charge, to enter or remain in the Promenade except guide dogs for the blind.". In fact, if a pet owner can effectively keep watch on his pet or restrain it, why is he forbidden from bringing it in? Why is nobody allowed to bring pets in? This is basically no different from the Pleasure Grounds Regulation enforced by the LCSD either. It has simply dropped many words which elaborate on the financial penalties or imprisonment for non-compliance.

The last example is about bills and notices. The 11th rule stipulates, "Do not distribute any bill, placard or notice or affix any bill, placard or notice to or upon any tree or plant, or to or upon any part of any building, barrier, railing, seat or any other erection or ornament.". It is forbidden to affix any placard to or upon any building, tree or plant. I agree with this point. However, as to the prohibition of distribution of bills, placards or notices, there will be difficulties. When considering the use of the WKCD in the beginning, we all had the expectation that public meetings could be held in the WKCD. May I ask which places for public meetings and expression of views are subject to such rules as "Do not distribute any bill, placard or notice"? The relevant rule does not aim at banning bills, placards or notices of too large a size. That is totally not the case. Instead, it imposes a blanket ban on any bill, placard or notice.

Therefore, Deputy President, as regards the use of public space, now that the WKCD replaces the LCSD's regulations with the present set of house rules,

which has little difference, restrictions have even be tightened in some aspects, to the great disappointment of many people and the cultural sector.

So, we very much hope that the WKCD will definitely come to the Legislative Council to consult the relevant panel before preparing a set of bylaws which have legal effect. If a subcommittee has been established in relation to the issue of WKCD, it should consult the subcommittee. Otherwise, if the bylaws prepared by the WKCD are still so strict that they fail to meet many of our expectations, the funding of \$21.6 billion approved by us is not worth it indeed.

Another point is the legislative procedure. Mr James TO is a member of the Subcommittee. He is most dissatisfied with this legislative procedure, because the current practice is the replacement of a set of legislation by a set of temporary house rules with neither legal basis nor statutory authority, followed by the replacement by yet another set of legislation. We are worried that this would set a very bad precedent.

Deputy President, I have requested to speak because I must have it put on record. I urge the authorities and society not to turn this case into a precedent. This precedent is most deplorable.

Why has the Subcommittee eventually accepted such a deplorable procedure? Firstly, as it had already been gazetted on 6 July and was subject to negative vetting, the last Legislative Council could not scrutinize it in time, and, to date, four full months have passed. We all remember that last week (from 1 to 4 November) the Wine and Dine Festival was held there, and the Financial Secretary was also present. If we suddenly demanded its cancellation, I am afraid those activities would have been disrupted.

However, we clarified one point afterwards: To avoid disruption to the activities is not the reason for our acceptance of such a deplorable procedure. Later we clarified a fact, that is, while this set of bylaws is in force, the contracts entered into between the WKCD and other business organizations will remain valid. Even if this piece of subsidiary legislation is repealed by us today and the Pleasure Grounds Regulation of the LCSD continues to be enforced, the legal effect of the contracts signed by the authorities before will not be prejudiced. Such activities can continue to be organized.

Therefore, Deputy President, I wish to clearly explain here that it is neither for this reason nor for the sake of convenience that we accept this procedure. Instead, it is because hoardings will soon be put up on the Promenade for the surveying works. The places where hoardings have been put up are no longer pleasure grounds. They will become construction sites, which will indeed pose risks to public safety. It is for this reason that we have accepted this process after the fact.

Nevertheless, we must make it clear in the Subcommittee and this Council that the authorities should definitely consult the Legislative Council before making any changes in law. For instance, it is absolutely unsatisfactory that the gazettal took place on 6 July, when the last Legislative Council was approaching the end of its term, thus presenting a *fait accompli* that left the Council with no opportunity of scrutiny at all. Therefore, we have to admonish the authorities to refrain from doing it a second time.

There is one more point on which I must ask the Secretary to give an undertaking later. As this set of temporary house rules has no legal basis at present, the WKCD can make amendments whenever it sees fit, without submitting them to the Legislative Council again. If the WKCD relaxes the regulation after hearing our views today, we would of course be very glad, but it is also possible that the WKCD would tighten it. Therefore, no matter which direction to go (either relaxing or tightening the regulation), in the event that the WKCD wishes to modify this set of temporary house rules before preparing the subsidiary legislation, we implore it to definitely come back to consult the relevant panel or subcommittee of the Legislative Council.

Deputy President, on account of these two aspects, the Subcommittee is very much discontented about this procedure. However, given that the Promenade will soon become a construction site surrounded by hoardings, if members of the public enter it and use it as a pleasure ground, their safety will be at risk. Therefore, we have accepted the legislative amendment to delete the Promenade as a public pleasure ground in the Schedule, but we hope that such a bad example will never happen again.

Thank you, Deputy President.

**MR CHRISTOPHER CHUNG** (in Cantonese): Deputy President, I would like to speak on the Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 2) Order 2012. In this exercise, the Government has changed the West Kowloon Waterfront Promenade (the Promenade), which is originally a statutory pleasure ground under the management of the LCSD, to a site under short term tenancies (STTs) managed by the West Kowloon Cultural District Authority (WKCD) through a set of temporary and administrative house rules (house rules). The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) considers it necessary for the Government to employ this practice, so as to meet the actual operational need. However, there is indeed room for discussion and improvement on the way of handling it. Therefore, the DAB concurs with the consensus reached by the Subcommittee that the WKCD and the LCSD should give a full account on how the way of handing over the management of public venues can be improved in future. They should seriously consider adopting a seamless approach by replacing the original by-laws with binding ones, so as to avoid creating a "legal vacuum".

As claimed by the Government, several sites had been granted under STTs in the past, and it is a proven practice for lessees to make their house rules for management purposes. Having said that, the WKCD, being a large-scale project involving \$21.6 billion, is a great concern to all members of the public in Hong Kong and the Legislative Council. The LCSD, for the sake of convenience, has once again resorted to using subsidiary legislation this time to remove the Promenade from the Fourth Schedule to the Public Health and Municipal Services Ordinance (PHMSO). This implies that the Promenade will no longer be regulated by the Pleasure Grounds Regulation (the Regulation). Rather, it will come under the management of the WKCD by means of a set of house rules, giving rise to a number of problems as a result.

The DAB is most concerned that although the house rules are drafted on the basis of the Regulation, they are not binding at all. If a member of the public contravenes any of the house rules in the Promenade, all a manager can do is to remove him and no penalties or fines can be imposed. In view of this, the DAB is really doubtful about the effectiveness of managing the Promenade by means of the house rules. Let me cite an example. If a member of the public spits or litters in a public pleasure ground, a LCSD keeper can impose a fine at level one and imprisonment for 14 days on him in accordance with sections 23 and 30 of

the Pleasure Grounds Regulation (Cap. 132BC). However, under the house rules of the WKCD, a manager can only remove him from the Promenade or seek assistance from the police.

The DAB considers it most undesirable for the Government to, without discussing with the Legislative Council in advance, enact the subsidiary legislation by way of negative vetting and hand over the management of the Promenade to the WKCD this time around. Worse still, the WKCD has neither submitted the newly-drafted house rules to the relevant panels of this Council for discussion, nor is it prepared to make them known to Members. If the Subcommittee has not requested representatives of the WKCD to give a full account to this Council, we may even be kept in the dark. The practice of the Government and the WKCD is most disappointing in this regard.

The DAB is aware that the authorities have undertaken to expeditiously submit the house rules and the subsidiary legislation, which drafting is expected to complete by next year, to the Panel on Home Affairs or the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project to be set up again for scrutiny. We welcome such an undertaking. Moreover, as advised by the Government, should this piece of subsidiary legislation be repealed, a number of large-scale events to be held at the Promenade in future will be affected. In fact, the Promenade will be closed in phases to prohibit public entry from early 2013. Having regard to these two considerations, the DAB agrees to repealing the by-laws in this exercise. However, in case of similar incidents in future, the Government should consult the Legislative Council first and replace the house rules with binding by-laws by all means.

Moreover, from the scrutiny this time, the Regulation currently imposed by the Government on public pleasure grounds, such as prohibiting visitors from sitting or lying upon any grass, flying kites or balloons, playing musical instruments or singing in public pleasure grounds, has become outdated and fails to meet the public aspirations. As for the WKCD, it has drafted a set of house rules as stringent as those made by the Government. For example, visitors are not allowed to play skateboards, wear roller skates or sit or lie upon any grass in the WKCD. There is no difference from prohibiting the public from performing or playing musical instruments in the WKCD, which simply runs contrary to the objective of setting up the WKCD to advocate openness and enjoyment for all.

In the view of the DAB, we should take this opportunity to review the regulations on the use of pleasure grounds and relax them as far as possible, so as to achieve the goal of facilitating both effective management and public enjoyment.

Thank you, Deputy President.

**MS CLAUDIA MO** (in Cantonese): Deputy President, Hong Kong may really be a bit conservative about the culture of using public space for recreational purposes. In overseas countries, lawns are specially provided for small kids to run on them. In the WKCD, even if public entry into lawns is not totally prohibited, at least some of the lawns should be open to the public for taking photos and picnicking.

As for animals, cats and dogs are normally not allowed to enter the WKCD. No matter regulations on lawns or animals, they simply stick to the old rut and are adopted across the board. In fact, the authorities should not adopt such a sweeping approach. At least, some spaces or corners should be reserved for animals. Animal protection as well as animal rights and interests should also be part of Hong Kong culture. If such signs and notices ban everything across the board, no activity will be allowed. Of course, it is not appropriate to hang articles on trees. But is it necessary to arrest, detain or punish the public for hanging just one or two unlit lanterns on trees merely for decoration during the Mid-Autumn Festival?

I read an article in the *Oriental Daily News* yesterday, which merits some thinking. A person, who displayed the regional flag and took photos for the sake of memory by the end of an event in a park, was stopped by a security guard immediately. Is there anything wrong? How come the regional flag of the Hong Kong Special Administrative Region cannot be displayed? This is absolutely a rigid approach of management. In particular, the way of handling the handover of management submitted to the Legislative Council for discussion this time around is really open to question. I have to express my regrets here.

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): Members have already spoken. I now call upon the Secretary for Home Affairs to speak. This debate will come to a close after the Secretary has spoken.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Deputy President, thanks to Members for their views. Let me make a consolidated response here.

First of all, I would like to provide some background information. The West Kowloon Waterfront Promenade (the Promenade) was set aside as a public pleasure ground under the management of the Leisure and Cultural Services Department (LCSD) in 2005. At that time, it was an interim arrangement which aimed at facilitating public enjoyment of the Promenade as far as practicable prior to commencement of the construction works at the West Kowloon Cultural District (WKCD) site.

The statutory planning process of the West Kowloon Cultural District project (WKCD project) has reached an advanced stage now. Facilities under the WKCD project are expected to complete in phases starting from 2014-2015, including the first phase of the WKCD park to be completed in 2014. The Promenade is currently located within an area of the future park. To meet this programme, the West Kowloon Cultural District Authority (WKCDA) plans to commence the advance works such as site investigation at different parts of the site, including the area occupied by the Promenade, from early 2013.

Prior to commencement of the works, the WKCDA strives for the organization of various activities at the temporary site, so as to attract members of the public to pay a visit there. Such activities have been launched since early November, including the Hong Kong Wine and Dine Festival 2012 which just ended last week and the Clockenflap Music and Arts Festival to be held in December. Given the lead time required for planning these events, such as contract negotiation, publicity and preparations on site, and extension of venues to the Promenade and the area secured by the WKCDA through short term

tenancies (STTs) in January this year, difficulties will be encountered in both contract negotiation and operation if they are under management by different parties. The WKCDA, being a single management agent, can better optimize the use of the entire waterfront, so as to ensure smooth operation of the events.

Earlier on, the Administration and the WKCDA had also consulted the Legislative Council in respect of optimizing the use of the temporary site at the WKCD and the development of cultural software. To facilitate the commencement of advance works by the WKCDA and organization of events before the commencement, the Director of Leisure and Cultural Services gazetted the Amendment Order on 6 July this year, so as to cease setting aside the Promenade for use as a public pleasure ground.

The taking over of the Promenade by the WKCDA is compatible with its functions and authority as stipulated under the West Kowloon Cultural District Authority Ordinance.

The Promenade will be closed in phases for commencement of works by the end of this year. In the interim, the WKCDA will facilitate public enjoyment of the Promenade as far as practicable. During this transitional period, the WKCDA will manage the Promenade by means of a set of temporary and administrative house rules (house rules). The house rules are drafted on the basis of the Pleasure Grounds Regulation, which have all along been adopted by the LCSD, with modifications and relaxation to provide a pleasant open-air leisure environment for the public and tourists.

To ensure effective management of the Promenade and enforcement of the house rules, the WKCDA has adopted a series of measures. A professional facilities management company, which has rich experience in providing security services to the LCSD, has been engaged to manage the STT site and enforce the house rules. At the same time, the WKCDA has deployed sufficient manpower and resources for management of the Promenade and requested that event organizers should comply with the STT terms and conditions and the relevant regulatory requirements.

With regard to major events, the WKCDA and event organizers have been working closely with various government departments, such as the Hong Kong Police Force, Fire Services Department, Environmental Protection Department



and Transport Department, so as to ensure public safety and exercise crowd, noise and traffic control.

One point I wish to stress is that the WKCDA, under the STT framework, can exercise the power as a lessee under common law and should bear the relevant liabilities. As Mr Christopher CHUNG mentioned just now, this is a proven practice. The Promenade, being a public open space, will be subject to regulation under the current legislation as well. Therefore, no matter before or after the taking over of the Promenade, there is a legal basis for the arrangement of its management.

We understand that Members are concerned about the need for the WKCDA to make by-laws. The Promenade will soon be closed and the design process for the future park will be launched by the end of this year. As the management and design of the future park closely relates to each other, the WKCDA hopes that in making such by-laws, comprehensive consideration will be given to this regard. The WKCDA plans to prepare the relevant by-laws in 2013 and will consult Members in due course.

The WKCDA is an independent statutory body which scope of duties includes conduct of advance works, organization of events and management of STT sites. We have also reminded the WKCDA that it should make preparations and formulate the house rules for taking over the Promenade. The WKCD is our major cultural infrastructure and the management and operation of its facilities is a matter of grave concern to us. As I have just mentioned, the design process for the first facility of the WKCD, that is the WKCD park, will be launched soon. The WKCDA will make reference to the experiences gained during this period, so as to draw up the mode of management and by-laws for the future park. We hope Members will continue to raise valuable suggestions then.

Deputy President, I so submit.

**DEPUTY PRESIDENT** (in Cantonese): In accordance with Rule 49E(9) of the Rules of Procedure, I shall not put any question on the motion.

**DEPUTY PRESIDENT** (in Cantonese): The third and fourth Members' motions. These are two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

**DEPUTY PRESIDENT** (in Cantonese): Third Member's motion: Equal rights for people of different sexual orientations.

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

I now call upon Ms Cyd HO to speak and move the motion.

## **EQUAL RIGHTS FOR PEOPLE OF DIFFERENT SEXUAL ORIENTATIONS**

**MS CYD HO** (in Cantonese): Deputy President, I move that the motion, as printed on the Agenda, be passed.

This year marks the 100th birthday of the father of computer science, Alan TURNING, a mathematician born in 1912. He can be described as a pioneer in modern computer science, for he had already begun doing precise computations by way of algorithm before and after the World War II (WWII). He is also revered by many as the father of computer science. During the WWII, he was even committed to breaking the Nazi's communications code to facilitate the planning of defence strategies by the Allies. TURNING should have been recognized as a national hero because of his act, but he was compelled to receive a most humiliating treatment in 1952 in which he was injected with female hormone following a revelation of his homosexual orientation, and he died of grief in the end.

Why was his sexual orientation revealed? In fact, he himself was a victim because his different sexual orientation was exposed due to police intervention after his home was robbed by his partner in association with other people. He was a victim on every occasion. After being compelled to receive such a humiliating treatment, he even died of poisoning in 1954. According to one theory, he committed suicide after eating a poisonous apple tainted with cyanide. Yet, according to another theory, he did not commit suicide, and the incident was considered merely as an accident. It was because admitting a link between his death with suicide was tantamount to conceding his unfair treatment by society at that time, and that would result in enormous pressure.

It was not until 2009 that Gordon BROWN, the then British Prime Minister, formally offered an official apology on behalf of the British Government to Alan TURNING. Such a mathematical genius had a short life of just 42 years. Come to think about this. If he could have been free from discrimination and lived on healthily, our computer science might have reached maturity sooner, thereby facilitating improvements to the lives of mankind even earlier. In this tragedy, the one who was buried was not only a somebody, but a genius. It is a loss not only to his family, but also to the entire world.

Today, although homosexuality has been decriminalized in Hong Kong, coupled with the inclusion of cohabitation relationships of different sexual orientations in the scope of domestic violence in 2009 after a series of arguments, bullying and ostracism can still be found in abundance. For instance, some teachers of different sexual orientations had lost their jobs after their sexual orientations were exposed. Some people of different sexual orientations had sought to allay their stress with drugs due to excessive social pressure. However, when they approached social workers for assistance, they were denied counselling and told to change their sexual orientation. These were the findings of a poll published by the Community Drug Advisory Council in early October this year. Furthermore, the findings of a poll conducted by the Boys' & Girls' Clubs Association of Hong Kong also showed that some secondary students were bullied on campus due to different sexual orientations.

In fact, the number of polls conducted in this regard is not small. Nevertheless, it is very difficult for the victims of these cases to come forward to face the public for the fear that doing so will lead to even more bullying and

unfair treatment. Hence, even if they are bullied, they dare not lodge any complaints, for they will not be entertained even if they seek assistance. This is precisely stark discrimination. However, the fact that these victims dare not lodge complaints in person has been interpreted as there is no discrimination against people of different sexual orientations in Hong Kong because the number of complainants is not too large. In fact, the rejection of these people and refusal to acknowledge discrimination against them by mainstream society is *per se* already a very serious and fundamental problem. Moreover, such a refusal to acknowledge discrimination against homosexuals has also contributed to the continued existence of such discriminatory behaviour.

Deputy President, in an opinion poll commissioned by me and conducted by the University of Hong Kong over the past week from 1 November to 6 November this year, 1 022 Hong Kong residents were interviewed with a very high and satisfactory response rate of 66.8%. The objective of the poll was to ask certain brief questions on discrimination against people of different sexual orientations in Hong Kong. The first question asked the interviewees whether they knew if there was legislation in Hong Kong protecting people of different sexual orientations against discrimination. The answers, which revealed that 31.6% of the interviewees believed there was legislation in Hong Kong protecting people of different sexual orientations against discrimination, are most appalling. This can be described as a most serious misunderstanding. While 21.4% of the interviewees said that they had no idea, 47% affirmed that there was no such legislation in Hong Kong. In view of this, the authorities and the Equal Opportunities Commission should really do some more work about this.

The second question asked the interviewees whether there was discrimination against people of different sexual orientations in Hong Kong. While 75.8%, or three quarters, of them clearly answered that such a situation did exist in Hong Kong, 16% believed that there was no discrimination against these people, and 7.7% replied that they had no idea. In fact, most of the interviewees were aware of the existence such discrimination. This is why I am calling on Members here to address this fact squarely.

The third question asked the interviewees whether they themselves discriminated against people of different sexual orientations, and the answers given were also most appalling. While 71.5% of the interviewees answered that

they did not do so, 26.9%, that is, close to one quarter, of the interviewees affirmed that they had a discriminatory attitude towards people of different sexual orientations.

Another question asked the interviewees whether legislation protecting people of different sexual orientations against discrimination should be enacted. The findings showed that 63.8% of them considered that legislation should be enacted, whereas 11.4% answered "half-half", 14.4% considered it inadvisable for legislation to be enacted, and 10.4% indicated that they had no idea or it was very hard to tell.

As for the last question, which is also the most controversial one, interviewees were asked whether they would support or oppose same-sex marriage or legalization of registered partnership. The findings showed that 32.7% of the interviewees indicated support, 39% raised objection, 18.5% answered "half-half", and 9.8% said they had no idea. The ratio of interviewees for and against the idea stood at 32.7% and 39%, which could be described as even keener than the standoff between ROMNEY and OBAMA. Nevertheless, this already represented some progress compared with the past. It is evident that society has become more and more inclusive and capable of accepting people of different sexual orientations.

Deputy President, my purpose of proposing this motion today is actually to call for a consultation to be launched on legislation, which is actually a small step only. The launch of consultation is intended to promote discussions, with a view to providing the public with more objective and accurate information in the course of discussion, so that they can dispel their fears and put a halt to ostracism through better understanding. It is because the dissemination of incomplete information recently has caused the serious concern that individuals' freedom of speech and freedom of religion will be undermined upon enactment of legislation, thereby causing mutual distrust between two communities, even though such social conflicts are absolutely unwarranted.

Deputy President, during the election campaign, I came across two kind-hearted constituents who were against different sexual orientations. They were rational and mild and willing to reason and listen to my explanation. Hence, I am convinced that such conflicts can be settled provided that there is a mild and open-minded platform for rational discussions for various parties to

present their cases, so that we can better grasp the actual situation and transform such conflicts into mutual inclusion and acceptance.

The motion today is actually proposed for the sake of peace and care, and settling social conflicts. Justice, love, care and equality should transcend political parties and groupings and politics. So long as we can address squarely the fact that people of different sexual orientations are currently subject to discrimination and so long as we have the intention of conducting discussions, we will definitely be able to eliminate this phenomenon through discussions and actions. Hence, Deputy President, I implore Members to support this most humble motion and achieve mutual understanding and lobbying through public discussions, with a view to ultimately healing the wounds slashed by social conflicts and fostering harmony.

Thank you, Deputy President.

**Ms Cyd HO moved the following motion: (Translation)**

"That this Council urges the Government to expeditiously launch public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of people of different sexual orientations."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Cyd HO be passed.

**DEPUTY PRESIDENT** (in Cantonese): Four Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the four amendments.

**DEPUTY PRESIDENT** (in Cantonese): I will first call upon Mrs Regina IP to speak, to be followed by Mr CHUNG Kwok-pan, Mr Gary FAN and Mr CHAN Chi-chuen respectively; but they may not move the amendments at this stage.

**MRS REGINA IP** (in Cantonese): Deputy President, I rise to speak to explain why I support Ms Cyd HO's motion and propose my amendment.

Before the reunification, the Hong Kong Government amended the Crimes Ordinance in 1991 to decriminalize homosexuality and then passed several anti-discrimination ordinances in 1995, namely, the Sex Discrimination Ordinance (SDO), the Disability Discrimination Ordinance (DDO) and the Family Status Discrimination Ordinance (FSDO) ..... excuse me, the laws passed in 1995 should be the SDO and the DDO. After establishing the Equal Opportunities Commission (EOC) in 1996, the Government enacted the FSDO in 1997, and the Race Discrimination Ordinance was passed several years ago in 2008.

Despite a lot of efforts made in prohibiting discrimination in the past in Hong Kong, such efforts are still inadequate. For instance, in the realm of sexual orientation discrimination, the Special Administrative Region (SAR) Government is fully compatible with the relevant international resolution policy-wise. I have noted that a motion was passed by the United Nations Commission on Human Rights in June 2011 to prohibit discrimination based on sexual orientation and gender identity, whereas Hong Kong already signed the United Nations International Covenant on Civil and Political Rights (ICCPR), which is also included in the Basic Law, a long time ago. Under Article 26 of the ICCPR, the SAR Government is duty-bound to ensure that sexual minorities are not subject to discrimination, though its current efforts are still inadequate.

A lot of efforts have been made by the EOC in respect of the prohibition of discrimination against people of different sexual orientations. According to a report of the EOC, for instance, during the period between 2007 and 2012, \$3.12 million was spent on financing schemes related to sexual orientations and another \$4.8 million on publicity and educational activities. Meanwhile, the EOC has also drafted a non-binding Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. I must reiterate that this Code has no binding effect in law.

Nevertheless, the problem is that the number of private organizations and companies which have adopted this Code is very small, whereas the EOC received a large number of complaints, totalling more than 1 000, lodged by sexual minorities in the previous year alone. I have noted some surveys, including the opinion poll conducted by the University of Hong Kong as commissioned recently and quoted just now by Ms Cyd HO, and I am also aware of many others. For instance, in a poll conducted by a local research group in

2000, 54.6% of the interviewees were found biased against people of different sexual orientations. A recent survey also revealed that, of the 492 youths interviewed, 80 had come out of the closet, and of these 80 people, one third expressed that they were discriminated at that time, 40% indicated that they had been ostracized and laughed at, and 13.5% said that they were subject to physical abuse and sexual harassment in school. All in all, 22% of those who had come out of the closet said that they had contemplated suicide due to all sorts of discrimination.

According to the 2011-2012 Hong Kong LGBT Climate Study, nearly 80% of the working population believed that people of different sexual orientations were subject to discrimination or negative treatment in Hong Kong, whereas 13% of employees of different sexual orientations had experienced negative treatment due to their sexual orientations or gender identity.

I do not intend to go into the details, but I would like to point out that even if we look at the EOC's figures alone, we will find that over the past year, that is, 2011, the EOC has received 1 181 enquiries relating to sexual orientation discrimination. It is thus evident that, although the SAR Government has started modernizing and equalizing policies and laws relating to sexual minorities, its efforts are still inadequate. This is why I support Ms Cyd HO's motion calling for consultation on further legislation.

I would also like to take this opportunity to respond to the queries raised by some members of the community. For instance, I have noted that some religious groups have recently expressed a lot of opinions and queried the possibility of reverse discrimination being caused should Ms Cyd HO's motion be passed or further consultation be conducted on legislation, thereby resulting in persecution of people disapproving of sexual minorities or homosexual acts, serious damage to freedom of speech, or schools being compelled to affirm homosexual acts, same-sex marriage, and so on.

I have also received short messages from some religious groups expressing concerns about their fears that passing the motion or launching consultation would be tantamount to approving of homosexual acts, thereby altering our views on marriage and family.



I fully understand these apprehensions. Nevertheless, I wish to tell them that they actually need not worry too much because the law cannot change people's views. According to the Basic Law and the Hong Kong Bill of Rights Ordinance, we enjoy the freedoms of expression and of information. Deputy President, being an experienced lawyer, you certainly will understand that the scope of all the laws prohibiting discrimination passed by us is very narrow and limited. For instance, the SDO and the FSDO only provide for what sort of discrimination and behaviour are prohibited and set out clearly that, in employment policy or domains such as the provision of services, no one should be discriminated against on the basis of family status, marriage status, gender or race. All the laws are passed not to change our thinking. I believe colleagues in the Chamber who are well-versed in the law know that the laws cannot possibly change our mindset or interfere in the freedom of expression of different people in the community. Hence, I wish to assure these religious groups that the motion today, even if it is passed so that consultation will be launched on enacting legislation to safeguard sexual minorities, will not result in persecution of people disapproving of homosexual acts or intervention in their freedom of expression.

Certainly I also appreciate the concerns of some people in the community that, should legislation be further enacted, the community will be divided or the views of the community on marriage and family will even be changed. I fully understand these concerns. I have also noted that, for instance, same-sex marriage has been legalized in only six States in the United States — though the country is perceived by many as being very liberal — whereas same-sex marriage has not been legalized or introduced into civil marriage in the United Kingdom in Europe. I certainly understand that same-sex marriage, if legalized, will cause many moral, religious and even financial impacts because, for religious reasons or according to traditional thinking, many people in society believe that marriage can only be between a man and a woman, and a family can only be built up by a married couple. If a child is adopted after the legalization of same-sex marriage, he will find it very disturbing when he grows up and finds that his parents are of the same sex. I also understand that same-sex marriage, if legalized, will impact on commercial organizations. For instance, they might need to alter their employment policy and provide, for example, housing subsidy, healthcare insurance, and so on, for the same-sex partners of their employees. This will have an enormous impact on society, and it will be very controversial, too.

I wish to clarify that it is definitely not the intention of the New People's Party or mine to advocate legalization of same-sex marriage, and so on. We only believe that discrimination against sexual minorities should be eliminated in society. We also believe that there is absolutely no problem with launching consultation on the enactment of a practicable law. On the contrary, this will further complement Hong Kong's special characteristics as a liberal, open and modern international community. If Hong Kong can enact such a law, I believe the economic appeal of Hong Kong as a cosmopolitan city will be greatly enhanced. As everybody knows, quite a number of people in the creative industries, especially fashion, design, drawing, and even some professions, are sexual minorities. If Hong Kong can draw up a more liberal policy and advanced legislation, it will do even better in luring talents.

I so submit. Thank you, Deputy President.

**MR CHUNG KWOK-PAN** (in Cantonese): Deputy President, as Hong Kong society is becoming increasingly open, people of different sexual orientation are accepted with equanimity. Everyone is born equal to enjoy such an inborn right. Everyone should enjoy equal opportunities in all aspects of life, irrespective of their sexual orientation or social status. This is the basic principle of the International Covenant on Civil and Political Rights of the United Nations. The Liberal Party also agrees that people of different sexual orientations, who account for a minority in society, should be respected and understood like everybody else. Therefore, we urge the Government to adopt more effective measures to ensure that people of different sexual orientations can enjoy equal opportunities.

Many companies in the fashion industry to which I belong will not reject the employment of people simply because of their different sexual orientations. On the contrary, their opportunity of being employed in the fashion industry is greater because of their unique fashion sense and creative talents. In fact, people of different sexual orientations are employed due to their performance at work.

However, it seems that the Government has not made enough efforts to promote discussion and awareness in society. In the past five years, the Government has only spent around \$7.8 million on publicity and education activities to eliminate discrimination against different sexual orientations. Of

this \$7.8 million, \$3.12 million was injected into the Equal Opportunities (Sexual Orientation) Funding Scheme and the remaining \$4.68 million was spent on public education. In view of such a major social issue, the funding of a few million dollars is far too small. The Government should increase the amount of funding for the scheme so that publicity and education activities of a more extensive scale can be launched.

At present, many people have a lot of misconceptions in respect of the rights of people of different sexual orientations. They have little understanding and even have not pondered deeply over the issue. The community needs more in-depth discussions. It is necessary to enhance public awareness and guide them to discuss it before enacting legislation or launching a consultation before legislation.

Deputy President, will a public consultation on enactment of legislation lead to great repercussions if there is still no in-depth discussion in the community or the issue has seldom been discussed? Today's issue on equal rights for people of different sexual orientations cannot be regarded as an issue of discrimination against people of different sexual orientations. The question of whether same sex marriage should be allowed involves fundamental values and complicated matters. It is unlikely that the community could come to a consensus on this in the near future. However, this is not tantamount to allowing discrimination against sexual orientations in society. The Liberal Party would like to reiterate that we respect the rights to equal opportunities enjoyed by people of different sexual orientations. The Government should continue to monitor the discriminatory situations complained by people of different sexual orientations. It should facilitate full discussion by society and enhance public understanding of people of different sexual orientations through education and publicity in order to protect these sexual minorities from being treated unfairly. In our opinion, before launching public consultation on enactment of legislation, the Government should conduct a territory-wide opinion survey to gauge the consensus in society before deciding when and how legislation should be enacted.

After all, a pluralistic society should show full respect and tolerance to people of different sexual orientations. Such respect is fostered through education rather than legislation only. The resources injected by the Government in the past were too little and efforts were insufficient. It should

strengthen the relevant policy measures and put in more resources as soon as practicable so that there is more room for consideration and in-depth discussion in the community before public consultation on enactment of legislation is launched.

All in all, the Liberal Party considers that there is a need to improve the existing measures of the Government. The authorities should not reduce the support for people of different sexual orientations. On the contrary, it should show more concern for them, understand their needs and strengthen communication with them in order to formulate the most appropriate policy that can cater for their needs.

I so submit. Thank you, Deputy President.

**MR GARY FAN** (in Cantonese): Deputy President, Hong Kong is a Chinese society where the understanding of the composition of families and couples is the simple marriage between men and women. In the atmosphere of the mainstream society discussion, room for discussion on people of different sexual orientations is inadequate. Homosexual behaviour is stigmatized. Many people believe that it is morbid to be different from the norm. From the medical perspective, however, people of different sexual orientations are entirely normal both physically and psychologically. Since different sexual orientation is inborn, the present-day Hong Kong society needs to enhance its understanding of these people.

The LGBT movement advocated in foreign countries refers to lesbian, gay, bisexual and transgender, which involve different sexual orientations. It emphasizes the diversity of gender and cultural identities, not merely the difference between homosexuality and heterosexuality. We can neither ignore nor deny the fact that there are sexual minorities in our society who have chosen same-sex lovers as their partners. This motion brings an opportunity to Hong Kong society to understand better and deeper people of different sexual orientations.

I acknowledge that faiths professed by many of my friends do not allow homosexuality, or even consider homosexuality a "sin". However, we also know that homosexuality is not an offence under Hong Kong laws, nor does it violate the spirit of the law. According to Article 25 of the Basic Law, Hong

Kong residents shall be equal before the law. In other words, people of different sexual orientations ought to be equally and comprehensively protected by the law as are other people.

However, it was not until the passage of the Domestic and Cohabitation Relationships Violence Ordinance (DCRVO) in 2009 that people of different sexual orientations in Hong Kong were afforded a limited degree of protection in law. Compared with other countries or cities (such as Scandinavia, Western Europe, and even Tokyo in Asia), Hong Kong has been lagging behind in terms of protection for people of different sexual orientations. They are neglected as the underprivileged groups in society, and even discriminated against.

Just now Ms Cyd HO referred to the Hong Kong public opinion survey conducted in 2011 by the University of Hong Kong. In the survey, 1 000 employees and 600 homosexuals in employment were interviewed. The results clearly showed that 80% of the respondents opined that homosexuals were still subject to discrimination in the Hong Kong society, and 13% of the homosexuals in employment were discriminated against or subjected to negative treatment. In another survey conducted by The Boys' and Girls' Clubs Association of Hong Kong in 2009, amongst nearly 500 homosexual teenage respondents, more than half had suffered various degree of ostracization and bullying. Furthermore, 13% of the respondents were even subjected to physical violence or sexual harassment, while nearly 22% of them had contemplated committing suicide. The survey also found that 90% of the students refrained from seeking assistance from their schools because they worried about being discriminated against by teachers.

We did receive the comments made by a number of groups, that we should educate instead of legislate, like Mr CHUNG said just now. However, by virtue of the two survey reports I have quoted or the report just cited by Mrs Regina IP, it is evident that education alone is inadequate to eliminate discrimination against people of different sexual orientations. The situation is similar to the case of racial, gender or disability discrimination where we need both legislation and education to assure equal opportunities for the minorities. The United Nations has repeatedly demanded the SAR Government to enact legislation to protect the homosexuals. Nearly 80 countries and regions in the world have enacted

legislation to protect people of different sexual orientations. Hong Kong, as an international metropolis, is also obliged to enact legislation on this matter.

Deputy President, my support of the motion by Ms Cyd HO is not to encourage homosexuality but only to express our concern for the underprivileged groups overlooked by Hong Kong society. Ms Cyd HO's motion is like the trunk of a tree, proposing the launch of a timely public consultation exercise on enacting legislation to protect the equal opportunities and fundamental rights for people of different sexual orientations. The amendment I proposed aims to extend the branches of the original motion such that the scope of consultation can be expanded.

Now, I would like to briefly explain my amendment. First, after the entry into force of the DCRVO in 2010, although the DCRVO covers partners of different sexual orientations, as far as we know, the Social Welfare Department and most of the social welfare organizations handling domestic violence in Hong Kong have yet to provide appropriate services to same-sex cohabitants, such as public education, education for homosexuals, preventive counselling services for couples, domestic violence services, as well as initiatives to enhance social workers' awareness and knowledge of people of different sexual orientations. Therefore, I hope that through the consultation advocated by the motion, the inadequacies of the DCRVO can be remedied.

Second, my amendment also urges the Government to consult various sectors of society on how best to implement the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation in a more effective manner, so as to protect people of different sexual orientations from discrimination in employment and to encourage friendly and fair treatment to sexual minorities by employers.

Third, I hope that the Government could be more concerned about the health of people of different sexual orientations. Attention paid to people of different sexual orientations is inadequate within our healthcare system. Moreover, since the healthcare staff have insufficient knowledge of people of different sexual orientations, the sexual minorities will face difficulties when seeking medical care and even suffer from misdiagnosis. The Hospital Authority should promote equality and inclusive service, such as physical check-up, promotion of gender-neutral human papillomavirus vaccination (HPV

vaccine) service and improving the healthcare staff's knowledge of the people of different sexual orientations.

Here, I wish Honourable colleagues and the general public can feel assured that even if the motion is passed and the Government launches a consultation on legislation to safeguard equal rights for people of different sexual orientations, and even if legislation prohibiting discrimination on grounds of sexual orientation is formulated, it will not result in reverse discrimination. After the passage of the Race Discrimination Ordinance in 2008, the Chinese people in Hong Kong have not consequentially suffered from any decline in social status. On the contrary, it has promoted non-ethnic Chinese people's integration into Hong Kong. Thus, protecting the minorities in society and enacting anti-discrimination legislation will not result in reverse discrimination.

Deputy President, in a civil society, policies and laws should be inclusive of the minorities, reducing discrimination and ensuring pluralism in society. Meanwhile, they should not be stigmatized or even discriminated against. Hence, I hope Honourable colleagues will support this motion from the stance of human rights and fair society. Discrimination stems from ignorance, and originates from lack of understanding. This motion has precisely addressed the worries mentioned by Mr CHUNG Kwok-pan just now. If this motion is passed, it would offer the best and precious opportunity to enhance understanding of people of different sexual orientations by every member of society.

Deputy President, I so submit.

**MR CHAN CHI-CHUEN** (in Cantonese): There was this 10-year old girl called Sophia who came from a gay family. She wrote a letter to President OBAMA complaining about the discrimination she was subjected to in school from her school mates because she had got two dads. She asked OBAMA what he would do if he too had two dads and he was discriminated against in school. Though being very busy with his election campaign, OBAMA took the time to write up a reply to Sophia. In his letter, he gave her an encouraging piece of advice. He said, "A good rule is to treat others the way you hope they will treat you. Remind your friends at school about this rule if they say something that hurts your feelings." Today I would like to send this remark from OBAMA to those Members of the Legislative Council who up to this very moment are still

determined to vote against this motion from Ms Cyd HO. I hope all Members can pause and think about this. If there is any one from among your children or grandchildren or family members who happens to be a homosexual, would you hold a different view?

Here, I would like to thank Ms Cyd HO on behalf of the gay and lesbian community in Hong Kong for her efforts made for the gay and lesbian community as well as the motion she has proposed today. I would also like to thank those Members of this Council who have made so many efforts in the equal rights campaign for homosexuals in Hong Kong, including those Members of the former Council before 1997. Although there has been little progress in our fight for gay and lesbian rights in Hong Kong, we will still persist and never give up.

A press conference was held yesterday on this motion. Some reporters interviewed me and a reporter from a TV station said to me at the end of the press conference, "Wish you success in the enactment of law tomorrow." There are reports of this press conference in today's newspapers. The first line of the story is about Ms Cyd HO proposing a private Member's bill. Actually, this is a mistake. People from the press also made a mistake. We are not talking about any legislative enactment today. It is not that once the motion is passed today, there will be a new law tomorrow. We are only making use of this opportunity to urge the Government to launch public consultation on the subject expeditiously.

Ms Cyd HO has only proposed a motion debate today and it does not have any legislative effect. Even if by sheer luck the motion is passed, in the same way as the Panel on Housing passed a motion yesterday urging the Government to postpone the move to allow white form applicants to purchase second-hand Home Ownership Scheme flats with premium payment not yet made, the Chief Executive can stand firm and refuse to heed. Even if by the counting of votes cast we win today, the Government can still say that the subject is not found in LEUNG Chun-ying's election platform and no priority will be accorded to it and there is no plan to put that into practice. A line from the lyrics of a song says, "three years, three years and another three years pass by". A line from a TV serial asks, "How many decades does a man have in his life?" These two lines are most apt in describing the development of equal gay and lesbian rights in Hong Kong. The movement started in the 1980s and we argued over the issue of decriminalization of homosexuality. It was only at the beginning of the 1990s that the law provided that homosexual activities between two males aged 21 or



above with mutual consent will not be an offence. It has now been 30 years since then. The motion debate proposed today is only about the most fundamental human rights and we demand equal treatment. On the subject of human rights, it is not that the will of the majority shall prevail over that of the minority, rather the majority shall respect the minority.

We only demand that public consultation be launched as soon as possible on enacting legislation. There is only one sentence in the original motion and it has 35 words in Chinese. It is simple, straightforward and mild. We are even worried that some people may criticize the motion and the amendments for not being aggressive enough. In the motion and our amendments, we have not mentioned anything like same-sex marriage, civil union, cohabitation partnership, and so on. Why do we not add the element of marriage rights? It is not that we are not fighting for these rights but we do not want to complicate the issue. We do not want any Member to put up an excuse and say that while they support equal rights and anti-discrimination, they cannot accept same-sex marriage. Therefore, in the end, Ms Cyd HO has proposed this most simple motion in the hope of trying to forge common grounds and accept differences.

Unfortunately, those who oppose the motion do not see our good intentions. Mr CHUNG Kwok-pan has proposed an amendment and to our dismay he wants to remove the two important concepts of enacting legislation to safeguard equal opportunities and public consultation. When he removes even the idea of public consultation, he is evading his responsibility, which is an ostrich policy of evasion. He then says that policies and measures should be strengthened, but he has not looked at the issue carefully. He refuses to understand the issue thoroughly and rejects heeding opinions. What are the policies and measures that he wants to strengthen? How should they be strengthened and to what extent should they be strengthened? All these are nonsense. He might as well vote against the motion.

Those opposing views advance a specious argument and I would think that we should bring this up for discussion. As for other arguments, they do not even worth any effort to refute them. These arguments include the one that enacting legislation will not help solve discrimination against sexual orientation and will only cause more disputes, hence education should be used to replace the enactment of legislation. Of course, we understand that even if laws are enacted, it does not mean that there will be no discrimination the next day. The

theme of the gay and lesbian march in Taiwan this year is revolutionary marriage. It is said that revolutionary marriage should never be regarded as the end of equal rights for homosexuals. In the path to the achievement of equal rights for homosexuals, we have a deep impression that the enactment of laws is only the first step, while the most arduous task and mission for our fight lies in carrying out education efforts on human rights against discrimination and revamping this culture of gender binarism. Education and legislation are not in bipolar opposition and it is not a question of either life or death or a choice between the two. They have to go hand in hand. Legislation can also be an indispensable part of education.

The discussions we have this week offer Members a good opportunity of learning. There are people who want to confuse right and wrong, substitute truths with fallacies and advance specious arguments simply for the sake of opposing this motion. They tell blatant lies just to oppose public consultation on enacting anti-discrimination laws on sexual orientation. They say that the whole idea is great, but there is no discrimination. So there is no need to take the trouble. They know that once any public consultation is held, there will be countless victims of discrimination coming forward to give their live accounts. And these people cannot then pretend that discrimination does not exist.

I am lucky enough to be the first gay Member of a parliamentary assembly in the four places on both sides of the straits who have come out of the closet. It is not that I am particularly brave, but I got calls from reporters during the elections telling me that some people had informed the newspapers that I am gay. I thought the best way to respond to such rumours was to admit honestly. It was because if I denies or not responded to these rumours or acted in a furtive manner, I would be living in anxiety, fear and pressure. I would get very frightened, fearing that some people might dig out my secrets or even tail me. This would affect my life, and that of my family, friends or even my former boyfriend. So I chose to admit frankly. At this time and age, there are many people who because they are gay will not even dare tell other people their real names when they meet people. They are afraid of the trouble that may be caused to them. I remember back in those days when the legal age for sexual intercourse between men was 21, there were many cases of blackmail. And the victims in their bid to cover up their true identity did not even dare report the cases to the police. Many such cases abounded.

Many Honourable colleagues have cited some figures today. I do not intend to repeat them. I just want to share some facts with Members. As in the case of discrimination on campus, while the 10-year-old Sophia whom I have just mentioned can write to President OBAMA and get a reply from him, I do not know if a student being discriminated against who writes to the Chief Executive, LEUNG Chun-ying, will get the same kind of positive reply from him. About the study undertaken by the Boys' and Girls' Clubs Association of Hong Kong which I mentioned earlier, there are many students who are discriminated against, but only 10% will seek help from their teachers. Why? Because teachers are often those who perpetuate discrimination. Some students have said that in religious education lessons, the teacher said that homosexuals would go to hell and they were promiscuous people. The student wanted to argue with the teacher but he had to keep silent because the other party was a teacher. He felt very bad at that time. Some students said that in a sex education workshop, the teacher said that homosexuality was a form of abnormal psychology and mental depression and homosexuals would have incontinence and they had to wear diapers. At that time, the whole school broke into laughter. The student was scared stiff but did not laugh with the other classmates. He was afraid that other students would ask him whether or not he was gay because he did not laugh.

I beseech Honourable colleagues who oppose this motion not to deny that there are many forms of discrimination against homosexuals in Hong Kong. I have added a timetable in my amendment. This is because I do not want to hear Members talk about discussions and consultations, having to wait for 10 or 20 more years, and I hope that the SAR Government will do justice to the demands of homosexuals and those who support equal rights for homosexuals. Our demand now is very humble, that is, to commence public consultation on the enactment of legislation. If you people say that there are many voices of opposition in society, please give voice to these views in the public consultation exercise and we will debate and discuss them and try to convince each other.

I so submit.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): Deputy President, this motion debate proposed by Ms Cyd HO today

is indeed a solemn topic. I would first explain to Members the view held by the SAR Government on this topic.

The SAR Government considers that all people are born equal and should enjoy equal opportunities. Efforts should be made to eliminate all forms of discrimination in society. Pursuant to this principle, the SAR Government has always been working through all sorts of forms and channels to promote the values of anti-discrimination. Every effort should be made to eliminate discrimination on all grounds, be it colour, religion, sex, age or sexual orientation. Our policy objective is to foster the culture and values of diversity, tolerance and mutual respect. As a matter of fact, we have introduced throughout the years many measures aiming at promoting equal opportunities for people with different sexual orientations. These measures include the setting up of the Equal Opportunities (Sexual Orientation) Funding Scheme. The aim of the Scheme is to finance relevant community activities, promote the enjoyment of equal opportunities by people of different sexual orientations or transgender persons, and to provide support services to sexual minorities. For many years we have worked through this Scheme and provided funding to more than 140 functions or services provided by non-governmental organizations (NGOs). The amount of funding approved totals more than \$7.8 million and it is used in activities like talks, workshops, drama and music performances, exhibitions, publishing information leaflets, producing websites, and so on. The target audiences are teachers, students, social workers and people with different sexual orientations and transgender persons and their families, as well as members of the public.

In addition, we have also organized many kinds of publicity and promotion activities, such as producing and broadcasting publicity audio tapes for the radio, posting publicity bills, organizing all sorts of open competitions and roadshows of display boards, producing and printing souvenirs with messages on equal opportunities for minorities and distributing them to NGOs, young people and members of the public. These are meant to publicize the idea that persons with different sexual orientations and transgender persons should enjoy equal opportunities.

With respect to employment, we have compiled in 1998 the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. The aim of this is to assist employers and employees in self-regulation and the elimination of measures and acts of discrimination in

employment so that people with different sexual orientations can enjoy equal opportunities in employment. Not only have we pledged that we will comply with all the good practices found in the Code of Practice, but we will also promote the Code of Practice to private sector organizations in order to encourage employers and employees from different trades to put into practice the measures found in the Code of Practice on a voluntary basis.

In addition, the Administration set up a Sexual Minorities Forum in September 2004 for the exchange of views on issues concerning sexual minorities and transgender persons in Hong Kong.

Deputy President, we agree that we should eliminate acts of discrimination against persons with different sexual orientations. But we can also notice that there has always been a divergence of opinions in society on the question of whether laws should be enacted. In 1996 when we had a public consultation on sexual orientation, more than 80% of the submissions from groups and individual members of the public strongly opposed the enactment of laws on discrimination on the ground of sexual orientation. When the Administration conducted a survey on homosexuality again in 2005, 34.5% of the interviewees thought that laws should not be enacted at that time while only 28.7% of the interviewees supported it. While some people wanted to see the enactment of legislation as soon as possible, there were also some people who raised opposition due to such basic values and beliefs of family values, traditional culture and religious faith. Some people might oppose because of what they thought to be far-reaching impacts on social institutions and allocation of social resources. Such divergence still exists today. In 2009, we had discussions on the Domestic Violence (Amendment) Bill and we are well aware of the sensitive and controversial nature of the issue.

Deputy President, Ms Cyd HO's motion mentions equal opportunities and basic rights. However, while equal opportunities and basic rights are related, they are by no means the same. Basic rights can be understood as wider in scope than equal opportunities and of a deeper and far-reaching dimension. The former has some structural impact on the existing social institutions, family values and rights of marriage and adoption, and so on. I think the amendment by Mr CHUNG Kwok-pan has taken this into account. In Hong Kong, many laws and policies such as those on application for public housing, tax concessions, employee medical benefits, and so on, are based on a heterosexual

marriage system. There are still many views in society that once same-sex marriage is permitted or if homosexual couples are allowed to marry or enjoy the rights and benefits like heterosexual couples, extensive and far-reaching effects will be caused. The Administration must handle this issue very carefully. Our greatest concern is what kinds of policy and measure should be used to better protect the equal opportunities for persons with different sexual orientations and serve to help eliminate acts of discrimination in society. We do not want to see that this issue will arouse disputes in society and lead to confrontation. This will be counter-productive in the protection of equal opportunities for people with different sexual orientations.

Deputy President, we understand that the original motion urges for consultation and not the enactment of laws. But for many people, consultation may be the beginning of enactment. Moreover, Ms Cyd HO's motion also includes basic rights besides equal opportunities. As far as we know, during the 1990s when Canada legislated to ban discrimination on the ground of sexual orientation, it also enacted laws in 2005 to legalize same-sex marriage. In 2003, the United Kingdom enacted laws to prohibit discrimination on the ground of sexual orientation in employment, then in 2005 civil union was permitted and same-sex partnership was recognized. We note that Mr CHAN Chi-chuen in his amendment urges for the commencement of legislative work during this term of the Council. Mr Gary FAN even demands that the scope of consultation be expanded to include the Domestic and Cohabitation Relationships Violence Ordinance, the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation and physical check-up for persons with different sexual orientations. And Mrs Regina IP considers that the Government's existing measures to be inadequate.

Deputy President, the Administration will listen carefully to Members' views on these suggestions and I will make a response again later.

Deputy President, I so submit.

**MR CHARLES PETER MOK** (in Cantonese): Deputy President, I am a Christian. I remember that a few years ago when I attended Sunday worship in church, the Pastor invited us to sign on a statement initiated by some organizations in opposition to legislation on discrimination on the ground of

sexual orientations. I learnt that the Home Affairs Bureau received over 20 000 letters opposing legislation in that year of 2005.

I was sitting among the congregation then and felt very uncomfortable. I was thinking, "Why will these members who should emphasize love become a group of people who are full of fears and even resentment and hatred?" I did not support the signature campaign against legislation on discrimination on the ground of sexual orientations at that time, and I will support the motion proposed by Ms Cyd HO today.

I am a small and humble Christian, and to me, my faith is about standing on the side of people who are given the least attention and even people who are most discriminated against and persecuted. I believe in God not because I personally feel good in going to the Church. On the contrary, it is because in Jesus Christ, I see my own inadequacies, and I see people with greater needs.

From this angle, homosexuals are indeed generally subject to unfriendly treatment and even direct discrimination in society. They are a group of people in need of help. Ms Cyd HO's proposal in the original motion of "launching public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of people of different sexual orientations" is only a very humble demand, and Mr CHAN Chi-chuen, in pointing out in his amendment the need "to protect people of different sexual orientations against discrimination in receiving education, employment, commercial services and social services as well as renting, purchase and selling of premises, etc", has only put forth a most limited and basic demand.

Why do Christians traditionally oppose homosexuality? Their opposition is mostly based on Leviticus in the Old Testament as well as Romans and First Corinthians in the New Testament, particularly the verses in Leviticus in the Old Testament: "You shall not lie with a male .....

However, many contemporary theologians consider that these verses must be interpreted in context. To put it simply, these verses are criticizing a group of people who left God, worshipped the fake gods and engaged in sexual intercourse with people of the same sex during the ceremony. In the New Testament, Paul opposed this kind of sexual intercourse because this is idolatry. The original intention may be different from opposition to homosexuality.

Some academics pointed out that the wording used by Paul in relation to "sins" in this part of Romans in the New Testament is the same as that used by him in dealing with the "social values" at the time. Therefore, what he was commenting may be the prevailing social customs, not the "sins" that are definitely denounced by human nature and teachings of Christianity.

I do not dare act like a theologian, and I know that Members can surely look up many theological theories against homosexuality. But another key point is: Should Christians who oppose homosexuality magnify a "sin" in the religious sense and turn it into a "sin" in the moral and public spheres based on a kind of religious interpretation of the Bible? From the religious viewpoint, there are many other things that may not be accepted or things not accepted in the past but are gradually accepted and changed because social values or concepts are constantly changing, such as divorce, contraception, and so on. Should these things be also denounced in the sphere of public law and in society? I personally do not think so.

Having said that, I have noticed that the arguments advanced by church members opposing legislation on equal rights have, quite optimistically, tended to be more rational in recent years. On the principles of reducing disputes, fostering mutual understanding and tolerance and reducing divisions in society, they argue that education on equal rights has been carried out effectively and that there has been less discrimination nowadays.

Regrettably, their reasons of opposition may still include a lot of irrational fears. For instance, they are concerned that shops will be punished for refusing to carry publicity on homosexuality, and that business operation and freedom of speech will be affected. These fears are unwarranted, because what we are discussing is that people of different sexual orientations should be treated equally in obtaining services. A certain group of people should not be denied of this basic and equal treatment because of something that has not yet happened, something that we can hardly imagine will happen, or something that happens extremely rarely.

It is because of these fears or — at least — misconceptions that we are calling for an extensive consultation, in order to reduce the unnecessary sense of distance among people who hold different opinions in society and enable them to find more common grounds. It is not the best way to resolve problems or



reconcile differences by refraining from conducting consultation, refraining from discussion or evading the issue. If both sides believe in the convictions that they resolutely uphold, there are more reasons for these convictions to be put on the table for thorough discussion.

When I heard different arguments advanced in opposition to consultation on equal rights for people of different sexual orientations, I have a very strong feeling that the critics are worried about losing their freedom to criticize and educate on or to disagree with the sex life and behaviour of these people. I think this concern should be respected, but it is also an aspect in which we hope to strike a balance among various parties through consultation.

There is no denying that while some people claim that they do not discriminate against homosexuals, their arguments reveal that they do discriminate against homosexuals without knowing it, and they are even denying it. After all, only those people who are subject to discrimination know best how they feel. They should not be told by other people how they should feel.

The enactment of a responsible law through a process of appropriate consultation can balance the concerns of both sides, providing for equal rights for people of different sexual orientations while also ensuring that the problem and situation that some Christians or churches are concerned about will not arise. Protecting one's own right to oppose the sexual orientations of other people to the neglect of the reality that this group of people is neither given due recognition nor provided with the same treatment amounts to injustice.

According to the fundamental theologian principle put forward by Karl BARTH, a famous theologian in the last century, in Christian faith, believers rely on the grace of God whose only and supreme intention is to save and redeem humanity not on the distinction between good and bad people, but solely on the basis of God's own selection. Based on the inferences of some theologians, this principle maintains that no human act or identity should constitute an obstacle to a person's receipt of God's grace, and this certainly should include different sexual orientations.

Retired South African Archbishop and Nobel peace prize laureate, Desmond TUTU, once described opposition against homosexuality as "a crime against humanity", as unjust as apartheid.

Meanwhile, I have noticed that in the statement issued by homosexual organizations, it is mentioned that they respect the opinions and concerns of religious bodies, but they hope to seize the opportunity of consultation to enable both sides to identify the problem and understand that the differences may actually be smaller than imagined.

Deputy President, whether for homosexuals and Christians, it is love that keeps us together. I hope that we can have more love and less fear. I support Ms Cyd HO's original motion and the amendments proposed by Mrs Regina IP, Mr Gary FAN and Mr CHAN Chi-chuen, but I oppose Mr CHUNG Kwok-pan's amendment which deletes the wording of "launch public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of".

Deputy President, I so submit.

**MS STARRY LEE** (in Cantonese): Deputy President, everyone is born equal. All persons should have the freedom to choose their partners, and they should not be subjected to any form of discrimination because their sex orientations are different from that of the mainstream society. Unfortunately, we are not living in a utopian world. In reality, not only people of different sexual orientations, but also people involved in age-gap affairs and extra-marital affairs and illegitimate children are facing pressure of various degrees from different fronts for failing to gain recognition from the mainstream society.

Deputy President, some time ago, I received an email from a person under the name "Jojo", which talked about episodes in the daily life of a homosexual who has just passed 20. In the email, Jojo mentioned that though it was natural to take pictures happily at gatherings for memory, pictures taken at events of homosexuals "do not show smiley faces, but only the back of different individuals, and at most the hand gestures made by participants." In view of this, Jojo thinks that the enactment of a law banning sexual orientation discrimination is not "according special privilege to them, nor trying to dissolve heterosexual families", for "they only want protection in law", as well as "the protection for them to live out their true self without being dismissed or discriminated against because of their sexual orientations."

After reading the email and chatting with various homosexuals, I sense quite strongly the frustrations and struggles faced by homosexuals in their daily life, and I agree that society should be more caring towards them. Regarding the call for enactment of legislation raised by Jojo, I think this speaks the heart of many homosexuals. However, in my view, to truly help Jojo and other homosexuals, we must first understand the specific difficulties they face and then provide the right remedy.

I have collected some information and consolidated the major aspirations of people of different sexual orientations in a relatively systematic manner. They pointed out that people of different sexual orientations are prevented from forming families according to legal procedures. In the application for public rental housing, tax concession for spouses, medical protection, application for reunion with family members, criminal liabilities and the handling of estate, and so on, their rights and interests are not on par with that of legitimate couples. Is this not the greatest discrimination?

Deputy President, if such unequal treatment and discrimination have to be handled, society will have to discuss whether the existing marriage system needs to be reformed. All along, the marriage system does change according to different times or different religious backgrounds. Regarding what should be allowed under the law and what should be prohibited by the law, it is the outcome of the consensus of societies of various countries and parliaments. Some homosexual groups urge for change in the marriage system. Undoubtedly, we can discuss all issues. However, Members should recall the scrutiny of the legislation on domestic violence in the end of 2009, where the concept of regarding same-sex cohabitants as a family had aroused a fierce controversy. If we strive for the recognition of homosexual marriage under the law, we will surely encounter greater resistance and provoke more intense social conflicts.

Concerning homosexual marriage, the Office of the High Commissioner for Human Rights (OHCHR) also has different views. The OHCHR published a booklet titled "Born free and equal" this year. In page 53 of the booklet, it reads "Under international human rights law, States are not required to allow same-sex couples to marry. Even so, the obligation to protect individuals from discrimination on the basis of sexual orientation extends to ensuring that unmarried same-sex couples are treated in the same way and entitled to the same

benefits as unmarried opposite-sex couples." It is evident that the OHCHR also considers protection for same-sex partners should be brought on par with that for unmarried heterosexual partners.

Deputy President, the tenet of the issue is that the unacceptance by mainstream society is not equivalent to discrimination. Besides, customs and cultures cannot be changed by way of enactment of legislation. For instance, if parents do not accept their children being homosexuals, I think even with the enactment of legislation, their attitude of unacceptance may not necessarily be changed. Some homosexuals have pointed out that since they are not accepted, they are unwilling to or afraid of making known their sexual orientations. After all, the attitudes or perceptions of society towards certain issues cannot be addressed by means of legislation.

As a legislator, I understand that there are limitations in the law itself. Certain issues may be addressed by means of legislation, yet legislation may be ineffective for other issues. For certain issues, legislation is not the solution, and worse still, the enactment of legislation will often bring forth other problems. Reverse discrimination often mentioned by Members is a case in point. Once legislation is enacted, the room for rational discussion will be narrowed, which is not beneficial to the people of Hong Kong. Moreover, by now, sexual orientation is still an extremely controversial issue. If consultation on the enactment of legislation is commenced at this stage, the conflicts and disputes in society may be intensified unnecessarily.

Hence, to truly help people of different sexual orientations, we should, instead of enacting legislation, find out the practical problems encountered by them and their worries, and then identify practical and feasible solutions to these problems. As such, the Democratic Alliance for the Betterment and Progress of Hong Kong will support the amendment proposed by Mr CHUNG Kwok-pan, and we oppose the stances of the original motion and other amendments. We urge that the Government must strengthen its policies and measures to enable people of different sexual orientations to enjoy equal opportunities.

Finally, I hope that when the Secretary speaks later, he will explain the work of the Gender Identity and Sexual Orientation Unit (GISOU), for I have heard many criticisms made by homosexual groups against the work of the GISOU. For instance, one of the functions of the GISOU is to arrange for

meetings between NGOs and the Government to discuss questions on sexual minorities, but no meeting has been held again since the end 2010. Moreover, regarding the other functions of the GISOU, including the provision of a hotline for enquiries and complaints, the collection of information and the conduct of public education on issues relating to gender identity and sexual orientation, I hope the Secretary will give an account to this Council of the work done by the GISOU. This will also let homosexual groups know more about this, for they often complain of the GISOU failing to undertake its due work. I hope that when he replies later, he will give a positive account of the future work plan.

Deputy President, I so submit.

**MR KENNETH LEUNG:** Deputy President, according to statistics published by the American Psychological Association, it has been estimated that homosexuality takes up around 13% of the world population. In China, this figure is estimated at between 1% to 5% of the Chinese population — the statistics published in the *China Daily* in 2011.

Indeed, there are strong legal bases to urge the Government to consider legislation to safeguard opportunities for and the basic rights of people of different sexual orientations. Article 39 of the Basic Law and the Bill of Rights Ordinance put into effect the human rights principles enshrined in the International Covenant on Civil and Political Rights. Article 17 of the Covenant makes provision for the right of privacy. Article 26 provides against discrimination based on various grounds such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

In fact, in a landmark human right case decided by the United Nations Human Rights Committee in Australia in 1994, Article 17 was interpreted to nullify any law to prohibit homosexual behaviour, and Article 26 was interpreted by the Committee that it should also cover discrimination against sexual orientation.

Indeed, under the Code of Practice Against Discrimination in Employment on the Ground of Sexual Orientation issued by the Equal Opportunities

Commission in Hong Kong, it is said that "All human beings are born equal and have the inherent right to equal opportunities in every aspect of their lives, irrespective of their sexual orientation or, indeed, any other status."

When we look around, Asians and particularly Chinese, are sometimes perceived to be more traditional and could be slightly homophobic. However, is this a very true perception?

In Hong Kong, private, adult, non-commercial and consensual homosexual relations became legal in 1991, that is, nearly a decade after the suicide of Police Inspector John MACLEMAN who was subject to investigation due to his homosexual activities. Before that, male homosexuality carried a maximum penalty of life imprisonment.

Looking at China, the fact is philosophies and religions of ancient China regarded homosexual relationships as a normal facet of life. In fact, our literature, and China's best-known novel *Dream of the Red Chamber* (《紅樓夢》), there are ample examples of males engaging in both same-sex and opposite-sex acts. Homosexuality became legal in Mainland China in 1997 and was removed from the Ministry of Health's list of mental illnesses in 2001.

In another country, Japan, in 1990, the Japan Association for the Lesbian and Gay Movement won a court case against a Tokyo government policy that barred gay and lesbian youth from using the "Metropolitan House for Youth". This court ruling is cited accordingly by the courts as a civil rights case, and the city government of Tokyo has since passed various legislation banning discrimination in employment based on sexual identity.

In the last report on Hong Kong compiled by the United Nations Human Rights Committee, the Committee raised a concern over the existing anti-discrimination laws in Hong Kong which did not extend to cover discrimination against sexual orientation. The Committee is going to conduct an examination on Hong Kong again in March 2013 and I do believe, Deputy President, it is appropriate time for us to think about how we should approach this issue again.

The motion put forward by the Honourable Cyd HO is a sensible one, taking into account our culture and social environment. We need laws to protect

people with different sexual orientations against discrimination on employment opportunities, provision of goods and services and other forms of indirect discrimination. Thank you, Deputy President.

**MS CLAUDIA MO:** Homosexuality is a human right. When I first started as a journalist 30 years ago, homosexuality was a taboo. You did not talk about it. It was all hush-hush, right? In the press, you did not even mention such a term. But Deputy President, 30 years on, this is Hong Kong, and time has changed. Things have changed. Today, we acknowledge that homosexuality is a fact. It is a fact, right? Moreover, we also fight for gay rights. We have to do so because the fact that gay rights are a human right has not been recognized in Hong Kong.

Ms Cyd HO's motion is so mildly worded. Essentially, it only calls for a public consultation on the issue and you have hesitation still that I fail to understand. We need to gauge public attitude on the issue 30 years on, Deputy President. Now, I do not see why so many Members of the Council seem to be so terrified of having relevant laws on the subject matter. In a civilized society, no laws could be easily passed without popular recognition. Did we not learn the lesson back in 2003 when Article 23 legislation was being pushed through the Legislative Council but did not make it?

I have received dozens of emails from religious groups expressing the worry that if such consultation is done, in effect, the whole society will be endorsing or condoning homosexuality. I have to argue against that. You simply do not need to particularly condone or endorse a human right. It is a natural right. It is already there.

Dear colleagues of this Council, we are talking about anti-discrimination. We are talking about anti-bias. We are talking about changing social norms. So, let us have a Hong Kong-wide consultation on this issue. Let us at least, at least, do it one step at a time. Thank you.

**MR CHEUNG KWOK-CHE** (in Cantonese): Deputy President, Ms Cyd HO's motion is very simple and short. It consists of only one sentence, that is, "That this Council urges the Government to expeditiously launch public consultation on

enacting legislation to safeguard equal opportunities for and the basic rights of people of different sexual orientations." The demand of the motion is just to launch public consultation and that means promoting open discussion on this issue in society, so that the Administration can listen to more views in society. I believe that many Honourable colleagues, just like me, have received the representations made by some groups on this issue in the past few days. Some groups have strong views even on Ms Cyd HO's proposal to have discussions and asked Members to vote against it. It is always desirable for society to hold discussions on some issues, so that the truth can be borne out by debates. Concerning the reaction of these groups, I really find it rather strange. Why do they oppose even such a fundamental request as public consultation?

Deputy President, I am a social worker and the professional Code of Practice for social workers lays down clearly the attitude in service provision and the basic values and beliefs relating to human beings that they should adopt, which include: Social workers should respect the unique value and dignity of every human being irrespective of one's ethnicity, colour, family/social/national origin, nationality, culture, birth, sex, age, language, beliefs, political and other opinion, family/social/economic status, disability, educational attainment, contribution to society, or sexual orientation. Also, social workers believe that individuals have the potential to develop and thus accept a responsibility to encourage and facilitate the self-realization of individuals with due regard to the interest of others. In addition, social workers accept responsibility to advance social justice and to safeguard the cause of human rights. These several points can perhaps enable Members to better understand why in many social incidents, for example, in such recent incidents as "street-sleepers suing the Food and Environmental Hygiene Department" and "national education", the involvement of social workers could be seen. Therefore, in principle, social workers would lend their support to the promotion of equal rights for various social groups.

On the issue of equal rights for people of different sexual orientations, some people think that education is more effective than legislation. Here, I wish to talk about my own views. It is true that since 1996, the SAR Government has introduced the "Equal Opportunities (Sexual Orientation) Funding Scheme" and for more than a decade, it has been conveying to the public the message that people of various sexual orientations and "transgender" people should enjoy equal opportunities. According to the record on the website of the Home Affairs Bureau, from 2005 to 2012, there were a total of 76 subsidized projects in this



regard (that is, less than 10 projects each year). The groups organizing these activities include the student groups of some secondary schools, arts groups and youth centres. All of them are small groups. As regards the forms taken by these projects, some groups manage resource centres and some organized such activities as drama tours, forums and education programmes. The news release of the Government in 2011 stated that in the past 13 years, the Administration had granted a total of more than \$6.6 million, that is, an average of about \$500,000 each year. Given such a meagre amount of subsidy, I doubt how these forces in civil society can carry out these so-called "educational initiatives" in depth and extensively?

Deputy President, the cultivation of good citizenship relies on two kinds of forces, one being the law and the other being education. From the negative examples of the civic education offered by schools and the intention of the SAR Government to quietly infuse the education system with "brainwashing national education", it can be seen how important the "power of public education" in the form of the law is. The enactment of legislation is an effective way of fostering the core values of "equality, justice, democracy, freedom and individual dignity". Through legislation and law enforcement that reaches various levels of society, the effects of the "inculcation of social values" can be borne out.

It is indeed not enough to rely solely on the law to enhance public understanding of equal rights. The public should not just do the "right" thing according to the rules but should take action of their own accord when they agree with some views. To this end, we have to rely on the power of education. The law tells the public what to do, whereas education tells the public why they have to do so. The enactment of legislation is the predicate that makes possible the formation of good habits before good character and knowledge can be instilled through education. A desirable piece of "equal rights legislation" would enable the public to form correct habits from a young age and elevate their civic qualities through critical thinking.

Deputy President, I think that the discussion on equal rights for gays is not just a rational one, nor is it simply a matter of "should" or "should not". Equal rights for gays is not purely a subject for discussion, nor is it an issue that Members can discuss in the legislature in a detached manner, then think that the job is done. What we are talking about is, at the end of the day, a group of real people who are alive, with flesh and blood and emotions. They have their own

dignity and also the right to be respected. I think that not only does opposing the discussion on equal rights for gays violate the freedom of speech, it also constitutes a kind of violence, as if saying, "Their existence is a mistake and a sin".

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

**MR FREDERICK FUNG** (in Cantonese): Deputy President, I declare that I am a Christian and that I have applied to the Hong Kong Association for Democracy and People's Livelihood (ADPL) for exemption in relation to the speech to be delivered by me on this occasion. If an issue is related to religion, morals or the direct interests of a constituency, the ADPL has a system for applying for exemptions. Since my application for exemption was granted, the speech to be delivered by me and my voting decision later on do not represent the ADPL's position.

Deputy President, I think that to date, the family is still the most important core unit of society. If the meaning of family cannot be defined clearly and is even muddled and ambiguous, the effect would be drastically different. I believe that if this fundamental social unit known as the family is undermined, the overall social impact would be tremendous, so much so that at present, it may not be possible to determine it solely through discussion and evaluation. Therefore, I do not agree with any proposition that would undermine the system of family and run counter to my Christian faith. The institution of family itself may not be related to religious faith, rather, it is more related to the importance attached by the Chinese to the tradition of family — be it in terms of ethical values or their attachment to the family. This relationship is even more intimate than that of religion. Therefore, let me make it clear first of all that I agree with and support this.

At the same time, I believe that homosexuals should not be discriminated against and they should enjoy the same right to choose as people of other sexual orientations. Society should also give them such a right. Homosexuals should not be denied rights equal to other people in society, including the rights to education and employment, on account of their sexual orientation. I will discuss today's question on this basis, as this would enable Members to understand clearly why I hold such a view.

However, I also support Ms Cyd HO's original motion because it does not involve the enactment of any legislation on sexual orientation at all. It only requests that consultation be carried out to enable all parties to have discussions and that is all. In the present open and enlightened era, I do not understand why even carrying out consultation is opposed. I know that some Christian groups, pastors, Christians and even people in the local communities, in particular, those with a more traditional way of thinking and who are more advanced in age, have all voiced their opposition, so I wish to express my views on this.

What is so objectionable about consultation? First, it allows all people to voice their views. Why not let all parties talk about the justifications for or against this issue and produce data for or against this issue in support of their positions, as well as citing overseas examples? For example, the majority of the States in the United States have not yet legislated on this matter, nor has the United Kingdom. As regards Canada, where legislation has already been enacted, what impact does legislation have on society? What are the positive and negative effects of legislation? Should we, and how should we, follow their examples?

Second, we should cite the examples of other places in support of our arguments, so as to find out what our consensus and differences over this issue are and explore if the arguments which we all agree with are sufficient to constitute a basis for legislation. Deputy President, usually, legislation is enacted after society has reached a consensus. If legislation is enacted before a consensus has been reached, that means the majority have to go along with the consensus of the minority. Generally speaking, we should enact legislation only after the agreement of the majority has been secured. In that case, the minority may be asked to follow the consensus. If all parties can co-exist harmoniously, sometimes, it may not be necessary to enact legislation, so the *status quo* is maintained. In fact, the legislation that decriminalized homosexuality has allowed people of different sexual orientations in society to have equal rights and the right to choose.

Conversely, if no consultation is carried out due to the opposition of the majority, it would not be possible to spell out all the justifications. If there is no opportunity even for any debate, still less working towards a consensus, all parties can only suppress the anger in their chest and query why they are not allowed to voice their views. In that event, this may make some people who

originally do not necessarily agree with enacting legislation against discrimination on the basis of sexual orientation change their position and agree with enacting legislation. Therefore, I believe that it is only by allowing all parties to state their views clearly, identifying the common grounds and differences that a momentum can be created, that is, the momentum of social consensus. If the great majority of people in society disagree, no legislation should be enacted and opponents should not be coerced into agreeing with the enactment of legislation.

Therefore, I believe that a civilized society would not be afraid of debates, differences in opinion or voices of opposition. The great majority of societies are relatively speaking conservative and I believe this is also the case with Hong Kong society. I believe that despite traditional Chinese thinking or religious grounds, other people should be allowed to voice their views. After all people have voiced their views, if a consensus really cannot be forged in society, I ask people who strongly demand the enactment of legislation to accept the reality. I hope all parties can accept the results of the consultation after they are known.

In addition, will a failure to enact legislation result in discrimination on the basis of sexual orientation or instances of people of some sexual orientations being subjected to unfair and unreasonable treatment? I believe such instances can be avoided. However, if instances of reverse discrimination, for example, marital problems, occur due to the legislation on equal rights for gays — such instances can be found in overseas countries — this would complicate the issue even more.

Deputy President, I think this is not the time to discuss the enactment of legislation, nor do I agree with enacting legislation on equal rights for gays. If consultation is carried out, I hope that through consultation, all parties can spell out their justifications clearly. The results of the consultation will reflect the position of Hong Kong people and reveal society's attitude towards sexual orientations and homosexuals, so we should respect them. Thank you, Deputy President.

**MR DENNIS KWOK** (in Cantonese): Deputy President, Hong Kong is a free, pluralistic and tolerant society. I believe the vast majority of people would

accept and recognize such a principle and value. We are obliged to ensure that the disadvantaged groups will not be discriminated against and treated unfairly.

There are four pieces of anti-discrimination legislation in Hong Kong which were enacted to prevent discrimination on the basis of four factors including gender, disability, race and family status. These four legislative frameworks are crystal clear in terms of their objectives, that is, to prohibit differential treatment or discrimination against some people on the basis of these four factors in employment, education, provision of services and community facilities.

In Hong Kong, I believe we have a responsibility to enact legislation to eliminate discrimination suffered by a person due to the person's sexual orientation. The Civic Party's position is simple and clear. We oppose any kind of discrimination. No one should be accorded differential treatment or even discrimination in his daily life in such areas as employment, education or the ability to work on the basis of his special characteristics.

In respect of employment, education or receipt of services, homosexuals are no different from heterosexuals in key determinants. We in the legal profession describe this as "not relevantly different". In Hong Kong which is a pluralistic and tolerant society, we cannot accept that homosexuals are accorded differential treatment purely because of their sexual orientation.

Speaking of discrimination against homosexuals, it is certainly inevitable that there are a lot of religious elements. As a Christian, I have recently discussed this issue with friends in the church and members of some Christian groups in a rational manner. I understand that different Christians have different interpretations and views on the *Bible*.

However, if we focus on the issue, can we enact legislation to prohibit sexual orientation discrimination according to the existing anti-discrimination ordinances on disability, family status, race and gender under the existing legislative framework? Some Christian groups and Christians are concerned that their freedom of speech or religious freedom will be infringed. But will their freedoms be really deprived if legislation is enacted under the framework of the existing anti-discrimination ordinances?

Let us take a look at section 46 of the Disability Discrimination Ordinance. Under that section, it is unlawful for a person to incite hatred, serious contempt for or severe ridicule of another person. Of course, to constitute an offence in law, those remarks must be very extreme or expressed under unusual circumstances.

For most of the churches and Christians with whom I have contacted, they definitely will not make remarks which will incite hatred, serious contempt for or severe ridicule of homosexuals. If that is the case, why do people still fear that their own words or behaviour will be alleged of being discriminatory in nature or constituting an offence under section 46 of the Disability Discrimination Ordinance if public consultation on the issue under this legislative framework is to be conducted?

If most of the Christians say that they want to make contact with more homosexuals, and hope that they will come to their church to worship God, break bread together with them and become Christians — If the church can adopt such an attitude or be more tolerant towards this issue, I believe they do not have to worry about deprivation of their freedom of speech or religious freedom. Moreover, under the framework of the existing anti-discrimination ordinances, they do not have to worry that their freedom of speech and religious freedom will be adversely affected once such legislation is enacted.

Of course, as Christians, we know it very well that the truth of Christian doctrine is love. We believe that a person will be accepted in this inclusive love irrespective of his background, values or behaviour. I believe it is a very important attitude upheld by Christianity. Therefore, I hope that different groups can adopt an inclusive attitude towards the issue rather than taking an confrontational stance.

Finally, I would like to quote the scripture in section 1, Chapter 7 of the *Book of Matthew* as my conclusion: "Be not judges of others, and you will not be judged." It is because you will be judged by the same criteria you use to judge others; you will be measured by the same gauge you use for measurement.

Thank you, Deputy President.

**MS EMILY LAU** (in Cantonese): Deputy President, on behalf of the Democratic Party, I speak in support of the motion entitled "Equal rights for people of different sexual orientations" proposed by Ms Cyd HO.

Deputy President, item 2.2.4 of the election platform of the Democratic Party in running in the Legislative Council Election this year reads: "To protect people of different ages and different sexual orientations from being discriminated against and ensure equal opportunities for them through legislation." Thus, we absolutely support the motion proposed by Ms HO. Furthermore, she has only requested a consultation. Why do some people even oppose a request for discussion on the issue?

As Mr Frederick FUNG said earlier, political parties may under some circumstances allow their members to vote of their own accord on religious or moral issues. Some of our party comrades may speak and express their views on the amendments later. But we all support launching a consultation exercise. Certainly, if the authorities decide to enact legislation after consultation, many social figures, including members of the Democratic Party, will express their own views on the contents and wordings of the provisions to be included. Discussions should be held on all these in the future.

Deputy President, I have a copy of the International Covenant on Civil and Political Rights (ICCPR), which was introduced to Hong Kong by the British as early as 1968 and signed by our State in October 1998. But so far, it has not been affirmed. I also have a copy of the report on the implementation of the ICCPR submitted by the SAR Government to the United Nations by the end of last year. The United Nations Human Rights Council (UNHRC) held a preparatory meeting in Geneva earlier this month to discuss questions to be put to the SAR Government. I very much hope that more in-depth questions on addressing the problem of sexual orientation discrimination by the SAR Government will be put.

The UNHRC originally intended to hold a hearing in July next year which would only be attended by representatives of the Hong Kong SAR Government because our State, being not a signatory of the ICCPR, is not required to submit a report. But according to the information I have — it may be the Government's timetable — the hearing may be held in the week of 11 March next year. When I participated in an activity held by Ms HO yesterday, I called on parties

concerned to attend the meeting. I also told them that the hearing would be held in July. But now I find that it will be held in March and the time is very tight.

Deputy President, according to Article 26 of the ICCPR, "All persons are equal before the law and are entitled without any discrimination to the equal protection of the law." The SAR Government, which has not requested any exemption, should observe the relevant provision. Deputy President, will Members please refer to the report submitted by the SAR Government to the United Nations. According to paragraph 26.10 of the report: "With regard to discrimination on the ground of sexual orientation, some commentators enquired on the plan and timetable of the HKSAR Government to legislate against discrimination on grounds of sexual orientation. Our considered view is the same as that in the previous report, that is, at this stage, self-regulation and education, rather than legislation, are the most appropriate means of addressing discrimination in this area."

Deputy President, the last report submitted by the SAR government is the second report. This one is the third report. The SAR Government submitted its first report in 1999. The second report was submitted in 2005, while the third one was submitted by end 2011. It is now 2012. Why has the stance of the Government not changed at all after nearly seven years? What has happened?

Ms HO just said that — she is very generous as she has invited Dr Robert CHUNG to conduct the survey for her. I wonder how much money has been spent on this — 63.8% of respondents are in favour of legislation and 14.4% of them against it.

Deputy President, Legislative Council Members were invited to dinner by the Executive Council on Monday and I attended the third round of banquet. Mr LAM Woon-kwong, Chairman of the Equal Opportunities Commission (EOC), and I sat at the same table but were separated by another guest. Deputy President, LAM Woon-kwong made it clear that he was in favour of legislation and so was the EOC. LAM Woon-kwong told me that in his memory, it was found that 66% of the respondents favoured legislation and 33% of them opposed. But now, according to a recent survey, only 14% of the respondents opposed it and 10% of them did not have any view.

Mr FUNG and other Members said that it was necessary to conduct a consultation in order to understand the situation before making a decision. Are



we required to get 100% consensus? Deputy President, on what issue can you get 100% consensus? We are talking about the rights of the minority. Why should those who do not have any interest in it be allowed to utter irresponsible remarks? Why should they be allowed to query the protection for the minority's rights?

Today, some deputations have come here to urge us to oppose legislation. For instance, a concern group on family and neighbourhood has pointed out that it opposes discrimination and considers that the community should show respect and tolerance to certain people. However, it is not in favour of legislation because this will hinder freedom of expression and other forms of freedom, which may be adversely affected after legislation.

Deputy President, a lot of people have been adversely affected though the legislation has not yet been enacted. I hope the Secretary can quote some of the complaints received by the EOC later on. Some people complained that they have encountered problems in housing, finding employment and even taking meals in restaurants. Why? Will the restaurant ask the clients about their sexual orientations before taking orders from them? No, Deputy President, they will not. There was a group of people who wanted to book a room for dozens of people in a restaurant — Mr Tommy CHEUNG should be most familiar with the restaurant as it is his voter. But after revealing that they belonged to an organization of homosexuals, they were rejected. The restaurant even said that they would rather not do business with them. Deputy President, can you imagine their feeling?

The authorities are really outrageous and still marking time after all these seven years on the pretext that they have to examine the situation. In view of a growing social consensus with only around 10% of the people opposing it, Ms HO has proposed conducting a consultation to understand how to take forward the cause. Just now Mr Dennis KWOK said that he is a Christian, quoting some phenomena that may scare the people. But these will not happen in Hong Kong. Deputy President, did he think that Talibans are in Hong Kong?

We can express our views, if any. But we have to appreciate the sufferings and difficulties of the others as if we stand in their shoes. How can we say that Hong Kong is a civilized society? How can we converge with the

international community? I hope that the Secretary will not repeat the words he said seven years ago, or else I will really be infuriated.

I so submit.

**MR TOMMY CHEUNG** (in Cantonese): Deputy President, legislation on sexual orientation discrimination has been controversial in society. Regarding this motion, communities which support or oppose it have launched online signature campaigns and mobilized their supporters to come forth to support their stance. As Mr CHUNG Kwok-pan said, as a sufficient consensus has not been reached in society at the present stage, if a public consultation on legislation is conducted in a hasty manner, it may be counterproductive and may not be beneficial to society.

Apart from netizens who have expressed great concern about this issue, employers are also very worried about the potential impact of the legislation on sexual orientation discrimination. Employers are most worried that after the enactment of legislation on sexual orientation discrimination, they may be caught by the law inadvertently.

(THE PRESIDENT resumed the Chair)

In June this year, an employer in the catering industry was prosecuted for sexual discrimination on the ground that he had failed to handle properly a sexual harassment case among his employees. This became the first successful prosecution case concerning vicarious liability borne by an employer for sexual harassment committed by his employees. Therefore, we are worried that legislation on sexual orientation discrimination will lead to more similar problems because views are still diverse on homosexuality, and employees may have different backgrounds, beliefs or convictions. Once a similar dispute occurs among employees, the employer will be caught in a whirlpool because he does not have time to deal with it or cannot deal with it promptly. This may cause great distress to employers.

Furthermore, if the legislation is passed, will the company's benefits for the employees' spouses be applicable to their same-sex partners as well? Generally speaking, these benefits are provided for married employees. Under the marriage system, there are plenty of supporting documents, such as marriage certificates, to prove the relationship of a couple under traditional marriage. But as same-sex marriage is not accepted in Hong Kong, it is difficult for employers to determine whether an employee and his partner are genuine partners or ordinary friends.

Moreover, if the partner of a homosexual employee is provided benefits, heterosexual employees may ask for the same benefits to their cohabitants. We are worried that this will lead to a great loophole and abuse of employees' benefits. As a result, unmarried employees may pretend to be partners of their ordinary friends so that they can be eligible for benefits. This will not only further increase the operating costs of enterprises, but also lead to unnecessary suspicion between employers and employees, thus causing serious damage to labour relations.

President, an unfriendly environment towards sexual minorities in the workplace is also harmful to employers. So, employers generally will not discriminate against employees on the ground of sexual orientations because, from the employers' perspective, the employees' ability at work instead of their sexual orientations is the appraisal criterion. Mr CHUNG Kwok-pan said earlier that some industries may look at homosexuals in a different light. It is due to the same reason.

In as early as 1998, the Government compiled the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation with a view to providing guidance for employers on handling employees of different sexual orientations.

The Liberal Party considers that, instead of causing disputes on legislation in society, the Government should proactively launch publicity on diversity of sexual orientations to enterprises and help employers promote a working environment which is favourable to diversity of sexual orientations in order to further promote inclusion among people of different sexual orientations.

Concerning the amendments, Mr Gary FAN, in his amendment, mentions that efforts should be made to promote the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. The Liberal Party agrees to that. As for the concern of personal health, we consider that we should always pay attention to our health regardless of sexual orientation.

As a member of the Executive Council, Mrs Regina IP has become a naysayer to the Government in her amendment by pointing out unequivocally that the Government's publicity and education measures are not effective. The Liberal Party has no intention to speak in defence of the Government. But given the open-mindedness towards sexual orientations in Hong Kong in recent years, it would be a little bit exaggerated to say that the publicity and education measures are not effective. However, it is an indisputable fact that there is much room for improvement.

For example, although a hotline has been set up to handle enquiries and complaints about sexual orientation and gender identity, it is pointed out by the gay and lesbian community that only 0.9% (or nine thousandths) of the respondents who have been discriminated against have made use of the hotline. The Sexual Minorities Forum, which is held by the Government with sexual minorities groups, has also been decreasing in frequency in recent years. It is held only once a year. This has really caused concern about the dwindling support from the Government for sexual minorities.

Therefore, we think that the Government should continue to enhance the publicity and education measures in order to eliminate discrimination on the ground of sexual orientations. However, we should not enact legislation because of this as it may play havoc with the business environment.

President, I so submit.

**DR KWOK KA-KI** (in Cantonese): President, the motion proposed by Ms Cyd HO today is worthy of our support and discussion.

Just now many colleagues said that there seemed to be no more discrimination against homosexuals in recent years. But let us ponder over some incidents which occurred recently. Mr CHAN Chi-chuen and artiste

Anthony WONG have disclosed publicly their sexual orientations only recently. We should not think that such things, including discrimination, have not happened for a long time, and seem to have disappeared in Hong Kong long time ago. On the contrary, the survey commissioned by Ms Cyd HO through the University of Hong Kong on 1 to 6 November clearly showed that as many as 75.8% of the respondents considered that the general public discriminated against people of different sexual orientations. This proportion is quite high. Any remark that there is no discrimination and legislation is not necessary true.

In fact, the United Nations Human Rights Council passed an unprecedented declaration on 17 June to express support for the human rights of lesbians, gays and transgender people for the first time. This declaration, which has won the support of most of the participating countries, expresses serious concern about the maltreatment suffered by people due to their sexual orientations. All those who uphold the rights for people of different sexual orientations regard the declaration as the most important one over the past few decades. Actually, on the same date in 2006 or six years ago, academics who were concerned about sexual orientation and human rights convened a meeting in Yogyakarta, Indonesia, to lay down the so-called the "Yogyakarta Principles". According to the Principles, all human beings are born free and equal in dignity and rights. Human beings of all sexual orientations, races and gender identities are entitled to be respected and the full enjoyment of all human rights. Discrimination of any kind should not be allowed.

As we all know, sexual orientation of a person is inborn. It is recognized that 8% to 10% of the population in the world have different sexual orientations from birth to adolescence and even adulthood. This is a fact admitted by the medical profession and we need to acknowledge this fact. Many colleagues of psychiatry have contacted some patients who suffered from all sorts of emotional problems due to different sexual orientations. They sought assistance because the community, including their own families, colleagues and schoolmates, refused to accept different sexual orientations, including homosexuality. As a result, they suffered from serious emotional problems, thus affecting their studies and employment.

Ms Cyd HO's original motion is very clear. She does not request legislation at this moment. She has made it clear that public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of

people of different sexual orientations should be launched. We all know that in Hong Kong, which is a place that is ruled by law and respects the rule of law, no legislation can be enacted without going through a long period of public discussion to allow expression of views by various stakeholders. Deputations, the public, individuals, and even the Legislative Council will be given sufficient time for discussion. In the law drafting process, it will also go through very detailed and specific studies and consultations before a legislative proposal is drawn up.

If we cannot fulfil even this step, how can we manifest our responsibility as a signatory of the Universal Declaration of Human Rights ("the Declaration")? The United Nations has adopted the Declaration, but we are unable to act in accordance with the principle. This is unreasonable. I am also concerned that there are lots of discussions or verbal abuses against each other on the Internet by groups and individuals who support or oppose the enactment of legislation. In my opinion, this is unnecessary. I very much hope that groups or individuals who have strong views on the issue can have the opportunity to sit down and discuss the issue in a rational manner regardless of whether they support or oppose the making of amendments to the anti-discrimination legislation on homosexuality or sexual orientations.

Given the diverse views on legislation in the community, it is necessary to have detailed discussions. If it is a very simple issue which can be handled very easily and does not have any impact on society, I believe no discussion will be necessary. In our opinion, discussion is needed because we feel that a small number of but important bodies and groups in society have been subjected to unwarranted discrimination even if not many people are affected.

Therefore, I hope that this motion can be passed because this will offer an opportunity to those who have been subjected to long-term discrimination on the ground of different sexual orientations to state the need for legislation from their own stance. I hope the SAR Government will give a positive response to their need. If the public and the Legislative Council have come to a conclusion that legislation is necessary, I believe the SAR Government should discharge its duty and start the legislative process of formulating an anti-discrimination bill.

With these remarks, I support the original motion. Thank you, President.

**MR RONNY TONG** (in Cantonese): President, I have just heard the Secretary and some Honourable colleagues speak, and I feel both very surprised and disappointed. President, there are at least two very fundamental fallacies in the speech made by the Secretary. The first is that he said that after legislation prohibiting discrimination against people of different sexual orientations are enacted in other countries, same-sex marriages will be legalized. President, the first fallacy here is that we may have to wait until society recognizes the legalization of same-sex marriages then we can address the problem of acts of discrimination against people of different sexual orientations.

President, the second point is that society will progress and it will become more civilized. So if there are countries which after their enactment of anti-discrimination laws will progress to an acceptance of marriages between people of different sexual orientations, it does not mean that this is a fact which is not acceptable to society.

President, the second fallacy is the argument that there is no consensus among the people of Hong Kong now. The figures cited by the Secretary just now differ considerably from those figures cited by Ms Cyd HO. But that does not matter. It is because both surveys have made a great error. We know that discrimination is a negative view held by the majority public in society against the minority. This being the case, there will certainly not be a majority of people who support the elimination of discrimination. That is to say, we should never talk about legislating against discrimination. However, this is not the truth. Discrimination is a violation of the basic core values of human society and it is a question of basic human rights and social justice. It is not a question of the majority or the minority.

So I felt very disappointed when the Secretary made such remarks in his capacity as the Secretary for Constitutional and Mainland Affairs. President, put simply, if we pass an anti-discrimination law, it does not imply that we lend our support to legalizing the cohabitation or marriage of people of different sexual orientations. President, I am not saying that I agree or disagree with changes to that system. However, I wish to say that discrimination is something which we do not find acceptable. I hope the Secretary can understand this point.

President, a survey undertaken by the Women Coalition of HKSAR in 2010 shows that of the acts of discrimination experienced by the interviewees, those five acts which top the list are: being insulted or sneered, being tricked, given a worse-off treatment, unreasonable assignment of work tasks and sexual harassment. Sorry, President, I have to say that no mention is made of same-sex marriage.

If we look at other laws on discrimination, such as section 2 of the Sex Discrimination Ordinance or section 7 of the Race Discrimination Ordinance, we will find that they are cognate. President, the provision says and I quote: "a person ..... sexually harasses a woman, if ..... the circumstances in which a reasonable person, having regard to all the circumstances, would have anticipated that she would be offended, humiliated or intimidated".

President, if you call a Japanese or an Indian by an offensive Cantonese expression, it is considered an offence in law; and if you call a foreigner or a lame person by an offensive Cantonese expression, it is also an offence in law, then why is it not against the law if you call a gay person by an offensive expression? Secretary, you should have said that if someone uses an offensive expression and calls you a gay person, why should he or she not be sanctioned by the law? What is the difference between this case and the other cases which are restricted by the law as I mentioned just now? How is that related to same-sex marriage? Since we are all humans, we should respect each other and we should act to respect other people. This has nothing to do with the person's views on religion, morality or family ethics or any deviance from such. This is a position which means that if what you do is not acceptable to the majority of people, then not only will you not worth being regarded as a human being but you are not worth of respect. Furthermore, you are condoning this kind of behaviour.

President, I am talking about discrimination and there should not be any discrimination in our society. Secretary, we are now in the 21st century and we are not in the Dark Ages. We have laws enacted to regulate this kind of behaviour. President, for example, section 27 of the Race Discrimination Ordinance says: "It is unlawful for any person ..... concerned with the provision (for payment or not) of goods, facilities or services to the public or a section of the public to discriminate against another person ..... who seeks to obtain or use those goods, facilities or services".



President we have heard many other examples. If people are known to be homosexuals, they cannot even rent a resort flat in Cheung Chau. An Honourable colleague has said that they cannot even rent a room in a restaurant for a meal. Why has our society degenerated to such a deplorable state?

President, sorry, the education which I received when I was a young person taught me that I have to act in compliance with the social norms, build a self-identity and a social status and play a role in society. But I know that it may not be such an easy thing to act according to this kind of teachings to accept the identity of someone as gay or lesbian. But we have to understand what in fact are the core values held by our society, what is social justice, and what is meant by equality for all people. If we cannot even do these, I do not think we deserve to be called part of the human society.

**MR LEE CHEUK-YAN** (in Cantonese): President, I am very disappointed after hearing the speech made by the Secretary. As early as in 1997 we had proposed a piece of legislation against discrimination on grounds of sexual orientation and age. It was LAU Chin-shek who proposed that law. But in the end it was negated by a narrow margin of two votes. If Members would still recall it, it was in the last meeting of 1997 and this anti-discrimination law was negated during the wee hours of the morning.

My emotions swell when I think about the swift passage of time. It has been 15 years since. Has the Government done anything to deal with this issue during these 15 years? Has the Secretary ever done anything about it? Do we see any progress made? The Secretary may say that he has dealt with this issue and there have been publicity and educational efforts. I have often pointed out in this Council that publicity and educational efforts are useless. In many cases, we can see that if no laws are enacted, then the problem of discrimination will never be eliminated. When an attempt was made to address the problem of racial discrimination, it was also said that publicity and educational efforts would be made. But in the end, those efforts were proved useless and so it was decided that laws should be enacted. This we all know. So Members should not play this game of making delays and excuses and they should stop saying that they want to use educational and publicity efforts to eliminate discrimination.

I have no idea whether the Secretary will pledge later to act according to Ms Cyd HO's motion and hold a public consultation and commence the consultative work in the hope of legislating against discrimination. I do not know how the Secretary will give his reply later. But in any case, the Government has actually wasted 15 years' time and all these 15 years were spent on engaging in some impractical and abstract publicity and educational efforts. The authorities have said that they want to make use of the code of practice on employment to eliminate discrimination, but is discrimination eliminated now? Discrimination today is as serious as in the past and there is no sign that it is eliminated. So if we do not make the first step of enacting legislation, the problem of discrimination can never be eliminated.

At that time, the Government wanted to parcel up the anti-discrimination law into parts and enact them separately. Actually, that served to delay the whole cause for a very long time. Now the Government is always saying that laws can be enacted only when a consensus is reached in society. But I must remind the Government the following. First, it is a consensus to protect human rights, a consensus already reached worldwide. Of course, if it is about some minor details such as whether or not a consensus has been reached on anti-discrimination regarding sexual orientation ..... and if it is said that a consensus has to be reached over the minute details, then the rights of the minority will never be protected. This is because they belong to the minority. What in fact is meant by the minority? They are the group discriminated by the majority. If action is to be taken to counter this discrimination against the minority, the most important task is to do something to ensure that the minority is protected. Such protective measures should not be taken only after a consensus is reached. This is because if there is really a consensus, there will never be any discrimination in the first place. So I can say that we can never wait for this kind of consensus to come about. We must enact laws to promote anti-discrimination here and now.

There is this argument that if legislation is enacted to outlaw discrimination and protect the equal opportunities of people of different sexual orientations, this will affect the freedom of speech. People would not be able to express their views and criticize homosexuality. I would think that Members should consider two aspects. One is the sufferings of people who are subjected to discrimination and the other is whether or not the freedom of expression is really being threatened. If it is said that the freedom of expression will be threatened, that is

really fabrication. However, discrimination does exist in real life. Now there is this expression of "coming out of the closet". What is meant by people who have not come out of the closet? They still live in the closet and they are suppressed and oppressed. Do we want these people to go on living inside the closet? Do we want that? Perhaps Members may say no. If they really do not want to see that, then this question of discrimination which exists in real life must be eliminated. But that does not mean that the freedom of expression will be affected in any way.

Some religious groups have written to us and said that from now on, we cannot always say "the prince and the princess will live happily thereafter". Instead, we have to say also that "the prince and another prince will live happily thereafter". But we have not made such a demand. They can still tell their fairy tales. When people want to say that "the prince and another prince will live happily thereafter", we should let these people say it, but that does not mean that all the people will have to say the same thing. So we have to make that clear. This will never affect our freedom of speech. Of course, there should be limitations on the freedom of speech and that is, we should not incite hatred. This is the spirit of the Disability Discrimination Ordinance. We have the right to the freedom of speech, but we must never incite hatred. This is clear enough. Since the whole thing is so clear, should Members still be so stubborn as to think that after the law has come into force, the freedom of speech will be affected?

I am a Christian and my faith teaches me to stand on the side of the oppressed and I should act justly, love mercy and care for the disadvantaged. There is one thing which I feel so sad about and it is, many of those who oppose enacting legislation against discrimination are religious groups. I think they have taken such great pains and efforts to oppose the enactment of anti-discrimination laws. This really breaks my heart. Why do they not show love and care to the disadvantaged instead of discriminating against them? The whole process of their opposition is actually a process charged with discrimination. Why do they have to do that? Are we doing that because we are told by our faith to do so? I hope we can have this mentality and that is, we should have the love and justice of God. We must not act like the Pharisees in the past and attacked Jesus for standing on the side of the sinners. We do not certainly want to see any Pharisees today. I hope we can ponder over this issue and join hands to oppose discrimination. Thank you, President.

**MR IP KWOK-HIM** (in Cantonese): President, the issue of gays and lesbians and people of different sexual orientations being subjected to unfair treatment or discrimination has been discussed for almost 20 years or even more. There can be no denying that all through these some 10 years the Government has done quite a lot of work to promote equal opportunities for people of different sexual orientations. However, there are still many gay and lesbian groups which still think that the problem of discrimination exists every day. I would think that the main reason for that is these groups have not considered that there are conflicts between their advocacy and traditional morality and the institutions of marriage and family.

Hong Kong is a Chinese society where 95% of the people are of Chinese descent. Regardless of social ethics, moral values, marriage and family institutions, the people here have inherited Chinese values and the institutions of monogamy and the marital union of man and woman are considered the foundation of our social system. It is unfortunate that the gay and lesbian groups have not paid attention to these traditional Chinese values and institutions in putting forward ideas that are in direct clash with the beliefs and convictions of the families and religious groups. It is only natural that they are not accepted by the public at large. There are divergent views between the two parties. But this situation is described by the gay and lesbian groups as oppression or discrimination, which is not at all reasonable.

I have to point out that divergence does not mean discrimination. Some scholars have explained that it is only when an attitude or an action carries hostility, condescension and even irrationality that it can be called discrimination. I am sure most of the people, that is, those whom I know and come into contact with, only disagree with homosexuality but they hold no discrimination against homosexuals. Like most of the people of Hong Kong, the DAB respects the personal choice of people of different sexual orientations. But we do not encourage this kind of behaviour. The marriage law in Hong Kong clearly provides that marriage is a union of a man and a woman recognized by law, and it is voluntary and meant for life and to the exclusion of a third party. This kind of marriage and family institutions are also one of the core values of Hong Kong, and they should be defended and upheld and they should not be undermined.

I am aware of the idea held by some people that sexual orientation is inborn and it is not to be regarded as a disease and so laws should be enacted for its protection. However, I have also heard some views from some religious theories and medical researches that enacting laws on sexual orientation will lead to a destruction of the entire Chinese tradition and its institutions, clashes with the existing social values and causes a traumatic impact on the public at large, the families and religious groups. So this proposal on legislation to change the existing system will cause widespread worries and anxieties. In view of this, and so long as there is no change in how society looks at acts of different sexual orientations, the DAB will not lend its support even if the subject under discussion now is merely on whether laws should be enacted.

The DAB is firm in its stand in defending traditional social values and the existing family and marriage institutions of Hong Kong. But meanwhile, we are tolerant and we accept and understand the needs and demands of people of different sexual orientations. While we do not agree with or encourage acts of homosexuality, we will never lend our support to any acts of discrimination. This is because by doing so, more negative energy will be fostered in society. The DAB believes that only by enhancing the knowledge and understanding of people of different sexual orientations can we hope to stem out discrimination at root. So the DAB will support the amendment from Mr CHUNG Kwok-pan, which urges the Government to strengthen the existing policies and measures such as by enhancing the role played by the Gender Identity and Sexual Orientation Unit, stepping up the educational and publicity efforts in the awareness of and respect for different sexual orientations. These will serve to promote equal opportunities for people of different sexual orientations and transgender persons.

I so submit.

**MR JAMES TO** (in Cantonese): President, discrimination can be a perception hidden in one's heart and if that is a view or idea, then we must correct it by means of education. However, if discrimination is an extrovert act, we should study legislating against it.

With respect to the question under discussion, I think that we have to clarify what is meant by basic rights. If one of the basic rights is the right to

marriage, then as a lawmaker, I have to ask myself or my voters whether or not Hong Kong can accept same-sex marriage. If work is a right, then I must ask ..... my son has just reached one year of age and we have some neighbours who are quite young. Recently, I have discussed a question with my wife and that is, if our foreign domestic helper wants to return to her hometown and get married, actually, she has been a very good helper, then we will have to hire another helper. I asked myself whether I could accept a lesbian as a helper in my family. Suppose I could, should I enact a law to prohibit an employer from not hiring a person on the ground that he or she is a homosexual and should such an act be criminalized? I find that some friends of mine who have small kids really mind hiring a helper who is a homosexual. The reason is that the helper concerned may spend a longer time with their family members than the employer and they are worried that there may be some effects that they do not like to see.

The question under discussion covers many aspects and they are about the question of what kinds of behaviour should be prohibited and not permitted. These acts are to be called acts of discrimination. Suppose a gay person walks into 7-Eleven and wants to buy a coke, the shop assistant tells him, "I cannot sell that to you because you are gay."; I do not think I can accept that. I am sure most people in this society cannot accept it either. If a gay person wants to take a taxi and the driver refuses. Should this be allowed? I do not think so. I think we should enact a law and define this act as discrimination. However, in a case found in a foreign country, a boss of a printing firm who because of his very strong religious beliefs thinks that he will contribute the returns of his business to the god of his faith and so he does not take the order from a gay group. He was jailed for refusing to print some materials for a gay group. Just can our society accept this practice and does it think that this should be criminalized?

Suppose a gay group wants to rent a restaurant to throw a party and if that restaurant refuses to lease the place even at market price because the client is a gay group, I think this act can be defined as a criminal offence. But if someone has a room to let and if he really has got some strong religious beliefs and stand, such that when a same-sex couple wants to lease the room, he thinks that he cannot live with them together and he cannot bear with that, then should this act be regarded as a criminal offence by society and sentence the landlord to jail? What is more, suppose a church does not lease the premises to a homosexual couple to hold a marriage ceremony, should the pastor of that church be sent to jail?

I have cited these examples because I have really very carefully thought about the issue and the question of what kinds of behaviour should be prohibited and what should not. I have read hundreds of cases in foreign countries and there is one which I feel most shocked. In a certain high school a male student who has undergone some psychological tests is determined that he really thinks that he is a female. So one day after playing a ball game at school, he wanted to go to the female shower room. But the question is, the other female students cannot accept this male student to be in the same shower room. In the end, some female students left first so that he could take a shower. Then owing to certain education laws of that place, the headmaster had to face a difficult question and that is, a group of female students were discriminating against a student who had been determined as psychologically female. The school had to handle this problem and the female students might have to be reprimanded for acts of discrimination because they could not accept this fellow student to use the same shower room for females.

I am very much disturbed by this case. When I talk about this, I really hold an open attitude. I know that some religious groups, including those which some close friends of mine have joined, would have some very strong views. But at the same time, there are so many cases in foreign countries about which I feel very disturbed. So I just want to tell Members the results of my study on the issue. Finally, I think that while there are certain things which can be regulated by law, I would hope that Members can adopt a tolerant attitude and see clearly what they can accept before opposing the relevant acts of discrimination.

**MR LEUNG KWOK-HUNG** (in Cantonese): President, Secretary Raymond TAM has talked a lot of nonsense earlier and we are so disappointed. He has displayed a very conservative attitude. But that does not matter. But Secretary TAM, there is a task which I have asked you to do, which is about a Ms HON So-wah who has been unjustly put into jail. Your colleagues have written in reply that there is nothing they can do. Buddy, you are the Secretary for Constitutional and Mainland Affairs, and this debate is on an open policy, but you say that there is nothing you can do. This is a concrete task and I just ask you to make an enquiry about the case of a Hong Kong female citizen who has been jailed unjustly on the Mainland, and she has tried many times to commit suicide. You have failed to make enquiries and find out the reasons. Then what should be done? A copy of the relevant letter has been sent to your superior LEUNG

Chun-ying and it seems to me that a copy has also been sent to President Jasper TSANG. I am really sorry about Ms HON So-wah. I can only hope that she would not come to an unfortunate end so soon. Or else we would be sorry for that.

Well, let me come back to the question under discussion. You must not say that I am digressing. I am only doing something for a Hong Kong citizen. I am here to monitor the Government and I am not making empty talks. You should have done better. Give me a reply because it is a matter of life and death.

President, earlier on Mr IP Kwok-him cited some arguments from religious beliefs and raised his opposition. This is most ridiculous. He has been a long-term follower of the communist party, does he not know that according to communist ideology, it is not God who creates man but it is man who creates God? Even if he takes a conservative stand, he needs not do that, right? For better or for worse, he is sucking the milk of the communist party. Does it not sound a bit shameless when he advances some religious arguments to oppose the motion?

President, it can be said to be human nature that we discriminates against other people. It is part of the evil nature of mankind. Once incited, this evil nature will get out of control. This applies to racial discrimination and also religious persecutions. BRUNO, a supporter of COPERNICUS' theory was burnt to death. And for GALILEO, it was only some 300 years later that he was vindicated. I do not know when ZHAO Ziyang can be vindicated. All autocrats will perpetuate acts of discrimination because it is only the autocrats who can discriminate against other people. The autocrats think that they are gods and they are better than others. And so they always want to place themselves at a higher position. They think that they are working for all the people and they themselves are all these people. For others, they are always the minority. If there are people in a society who think that the majority are persecuting the minority, these autocrats would be happy to see that. This is the training they have got in their personality and that applies no matter if it is in the disguise of religion, the people or the communist party.

Once I hosted a radio programme with Slow Beat and some hearer called in and scolded us. I answered back, "Buddy, if it so happens that your son is gay, what would you think?" When you son is not bent, that is, gay, you can



certainly snap at other people with a loud voice. I really hope that one day his son will belong to the One Tenth of the population, see what will he do? If the son or daughter of Mr IP Kwok-him belongs to the One Tenth, he will certainly talk differently. This is not the first time I have made such remarks. The story of PLATO is exactly the same. He believed in the idea of a philosopher king and considered most people should be slaves. It turned out that after a shipwreck, he became a slave, and so he changed his mind, to somewhat better.

We should put ourselves in other people's shoes and if we do not have this ability or chance to put ourselves in other people's shoes, we should reason in a more rational manner. This is some right which everyone deserves. Why is it changed into a welfare benefit or something granted by public authority, open to deprivation? To answer this question, does discrimination against old people not a bad thing? President, you are a teacher. Is discrimination against pupils with bad academic results not a bad thing? This might well be the original sin of teachers. A government has a much more important role to play than teachers because it has a mission to educate the public and govern the people. It is not God. What grounds does it have to put forward this principle and say that it will defend it, claiming that because some people are different from others and hence their rights must be taken away?

President, just look at this object. Do not get scared. It is not intended for throwing, just for making a demonstration. Look, it is bent, that is, gay. But even if it is straight, that is, not gay, it is still the same thing. For people, you will never know if they are bent or straight, or they may even be both bent and straight. For me, I can be both bent and straight, a bisexual. Some of you sitting here may be this kind of person, who knows? Only that you people may not dare to speak out. May I ask, what reasons do we have to say that because this thing is bent that we say it is another thing? This is really a case of a stone can have only two characteristics — that of either being white or hard — as postulated by an ancient Chinese philosopher. There is essentially no difference between being bent and straight. So I would say it is the same with being bent or straight and the question of sexual orientation does not come in when we talk about human rights.

I have to pose a challenge to all the people here. If some people are deprived of their rights because they are different from others, then this One Tenth of the population who are being discriminated against can discriminate

against the other two tenths of the population. Is LEUNG Chun-ying not discriminating against the old people? He thinks, since you people do not have these three major pillars, I will give you money. What have you got as bargaining chips? He says, when Long Hair filibusters here, he is only hurting you. If any of these old people aged above 70 wants to receive this "ex gratia fruit grant" of \$2,200 monthly, they must pass the means test. When some people have rich fathers, will they take a means test? No harm done if LI Ka-shing is allowed to take that sum of \$2,200. But there are some people who will starve when they cannot get that sum of money because of the asset and income declaration policy. Then we can assert that this is a mistake.

President, I know that I do not have much time left. But I can tell all the gays, it would not help at all if you want to rely on these morons. You must come out and fight for your own rights. Even though you are just One Tenth of the population, you are still full of power. And do not forget the Stonewall riots. All the disadvantaged groups have to come out and put up a fight.

Thank you.

**MR IP KIN-YUEN** (in Cantonese): President, I am a heterosexual and obviously, heterosexuals are the majority in society and also the mainstream. Since they are the majority, I feel very secure and at ease. I can fall in love, date, get married, express my feelings and talk about my experience freely without having to conceal or cover up anything. This is the benefit of being in the majority and precisely because I am in the majority, all along, I can neither understand nor sympathize with the difficulties and troubles faced by the minority.

Thanks to a project implemented by the Boys' and Girls' Clubs Association of Hong Kong, I had the opportunity to come into direct contact with a group of homosexuals. After contact, I found that this group of young people is actually very good-natured. In many aspects, they are the majority in society. This is so in respect of education and in other aspects, they are also in safe territory. However, it is only in terms of sexual orientation that they become the minority and have to keep shunning and concealing all kinds of frustrations in their daily life. It was only then that I found there were such great differences between the majority and the minority in society in their life experience.

Recently, I read a book and was invited by the editor of this book to write a preface for it. The book carries the accounts by nine homosexuals of their relationships with their parents. Although they are only conveyed in print, they still give me insights and new experience. From these stories, I can see how some homosexual children had to protect their beloved family members cautiously even as they protect themselves cautiously. Some of them had to create a path for themselves by treading their way carefully, whereas others had some very different experience. They had to engage in various kinds of high-profile and dramatic confrontations with their family members and communicate with them before inclusion was finally achieved.

The message behind these stories may be somewhat hackneyed, that is, communication, understanding and acceptance. The underlying driving force is actually all about one thing, that is, the love between parents and their children. Some people chose not to reveal what they had understood, never exposing the truth or laying bare the whole matter at any time. Rather, they lent each other mutual support in trickles in the course of everyday life. For others, they chose to make the disclosure abruptly to let their parents or children know that what they care the most was always the feelings of the other party. I believe that so long as the love or care is there, a lot of differences can be overcome, for example, in these stories, the divide between the two generations can be bridged whereas in our society, the differences in social values within our society can also be overcome.

Just now, Mrs Regina IP said that homosexuals had a very special role in society, that is, they have a close bearing on creativity in society. In the United States, a research was conducted on the development of creativity. It found that if three "Ts" can be found in a place, the creativity of this place would be particularly well-developed. The first "T" is of course the convergence of "talents" and the second "T" is technology, such as computer technology. The third "T" is tolerance. Among the cities in the United States, those where the three abovementioned factors converge would become prosperous areas with a high degree of creativity. In places where the third "T" is less pronounced, even though they are also American cities, the performance of their creative industries would be poorer. Therefore, creativity has a close bearing on social development. Hence, I believe that be it in such terms as the people, society or the economy, this is an issue we need to face and care about. It is only in this way that limitations can be overcome and society gain development gradually.

I believe this motion is actually quite humble as it only asks that consultation be carried out on the enactment of legislation. I believe this is the first step that society should take. Thank you, Members.

**DR FERNANDO CHEUNG** (in Cantonese): President, should we enact legislation, or at least consider doing so, to protect the sexual minorities? Of course, this depends on whether or not there are instances or acts of discrimination against the sexual minorities in society. I believe there is actually no doubt about this.

From the speeches delivered by a number of Honourable colleagues just now, it can be seen that basically, the arguments against considering the enactment of legislation now is that the phenomenon of these sexual minorities existing, be it homosexuality or other sexual orientations deviating from heterosexuality, as well as the behaviour that follows, would all damage traditions and ethics. Some members of the religious sector even think that such behaviour is immoral. From this point alone, it can be seen very clearly that there is some sort of pressure from public opinion in society that gives rise to unequal treatment for the sexual minorities. The term "coming out of the closet" alone shows clearly how great the pressure and social discrimination faced by them are. Therefore, if it is said that there is no discrimination against the sexual minorities in Hong Kong society, this is a blatant denial of the reality. The discrimination is so serious that even when such instances happen to our relatives, family members or friends, we still do not have the courage to face up to such instances, nor are we willing to speak up, so one can imagine how serious the situation is.

President, I used to live in the San Francisco Bay Area in the United States for more than a decade and the acceptance of people of different sexual orientations there is far higher than any other places in the United States. In fact, each year, there are even festivals in which the sexual minorities would hold celebrations and also many pieces of legislation or policies providing basic protection to people of different sexual orientations. In this regard, the United Nations has also continually urged us to do the same. The United Nations International Covenant on Civil and Political Rights provides clearly that "to ensure to all individuals ..... the rights recognized in the present Covenant, without distinction of any kind, such as race, colour, sex ..... or other status" and international human rights organizations have also included sexual orientation in

the status of sex. In 2001, the UN Committee on Economic, Social and Cultural Rights also urged the Hong Kong SAR Government to prohibit acts of discrimination on the ground of sexual orientation. Therefore, the international community and advanced regions have long since made considerable efforts to enact legislation to prohibit discrimination on the ground of sexual orientation.

President, in Hong Kong nowadays, this topic is still highly controversial. The Project Touch of the Boys' and Girls' Clubs Association of Hong Kong once brought together many young people who were subjected to various kinds of discrimination due to their sexual orientations and published a book in which SO Mei-chi interviewed nine families with children who were homosexuals. I encourage Honourable colleagues to read this book entitled *Our Gay Kids*, which portrays the tensions and conflicts among family members when there is a child with homosexual tendencies among them. Even though these people have such close relationships as being father and son, mother and son or mother and daughter, they may not be able to handle the tensions and conflicts at the family level, not to mention the bullying, discrimination and suppression in society. The enactment of legislation to protect all people from discrimination on the ground of sexual orientation has actually been discussed for many years, so there is no reason to continue to dilly-dally.

Many people in the religious sector believe that homosexuality is a moral issue. I learnt from the press that Pastor Enoch LAM once said that there are no grounds showing that homosexuality is entirely innate but even if that is the case, it does not mean that one can have one's way, because the innate absence of something in the DNA also makes psychopathic serial killers different from other people. However, it does not follow that they are not guilty. Therefore, even if homosexuality is innate, it does not follow that it is legal, so homosexuality is a moral issue. President, this kind of comments equating homosexuals with psychopathic serial killers is already discrimination. Some people in the religious sector may think that homosexuality is immoral, but what is so immoral about homosexuality? How do they get in other people's way? In what way do they harm other people? I cannot see anything of the sort at all.

We may also have some friends who are homosexuals around us, but what adverse effects does this have on us? These people have actually made a lot of contribution to society. I have no way of knowing who among the people around me is homosexual and of course, I would assume that the majority of them

are heterosexuals. But even if they are homosexuals, so what? The doctoral advisor of my wife was a homosexual and an eminent statistician, so is he regarded as having committed a crime because of this? What crime has he actually committed? Given the presence of religious freedom, we also have to discuss religions on the basis of human rights. Even if it is believed that some behaviour or sexual orientations are immoral from the religious perspective, discrimination against these people that is sanctioned by legislation is unacceptable because human rights are a fundamental requirement and all people are born equal. This is also something enjoyed by all people. For this reason, I speak in support of Ms Cyd HO's motion. Thank you, President.

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

**DR PRISCILLA LEUNG** (in Cantonese): President, before I had entered the Legislative Council Complex, I received heaps of petition letters and in recent days, just like other Honourable colleagues, I have also received a lot of representations from many deputations. Many of them hope that I can oppose this motion today.

I have examined these views carefully and perhaps let me also summarize them a little bit. First, I believe many of them are worried that after the passage of this motion, the Government would really embark on the enactment of legislation, so they must point out clearly at this juncture that such enactment would arouse great controversies in society. Second, they believe that many homosexual groups are politically very active in society and also have large and free scope to express their views. They consider that although homosexual groups are the minority in society, they are by no means socially disadvantaged groups. In Hong Kong, homosexuality is not an offence and homosexual groups and the friends of homosexuals also enjoy the same freedoms as those enjoyed by other people.

I know that many homosexual groups hope that through legislation, their love relationships can be clearly recognized by law. I fully understand this but I have reservation about it. I believe that on this issue, there are still great differences in society, so it is not appropriate to resolve them through the enactment of legislation.

Just now, many Honourable colleagues mentioned the international human rights treaties and perhaps let me also read out Article 18(4) of the International Covenant on Civil and Political Rights. It is stated therein that "The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to ensure the religious and moral education of their children in conformity with their own convictions.". In fact, when drawing up this Covenant, consideration was already given to the fact that there might be differences in religious beliefs and moral values among various nations or people.

The Marriage Ordinance of Hong Kong protects the monogamous marriage system of one man and one woman. In fact, the Marriage Ordinance was reformed only after 7 October 1971. After 1971, a man is not allowed to keep concubines or have more than one wife. Apart from prohibiting bigamy, the existing laws of Hong Kong do not actually prohibit a man from being involved in such behaviour as "keeping a second wife", as it is commonly called, or extramarital affairs if they do not go through the process of registration. In fact, the legislation in Hong Kong is quite liberal. The laws of Hong Kong do not prohibit homosexuality, nor do they prohibit behaviour deviating from monogamous marriage or a marriage between one man and one woman, including sexual relationships or love relationships involving two, three or even more people.

Many homosexual friends told me they felt that they belonged to socially disadvantaged groups. However, in my experience, judging from their ability of action in Hong Kong, homosexuals are by no means socially disadvantaged. As many Honourable colleagues, be it those who agree with or oppose the motion, have said, many of them have made outstanding achievements and possess many kinds of talents that have won social appreciation. What we are discussing now is actually the moral values of Hong Kong society.

In my own experience, in our recruitment exercises, we would by no means take the initiative to ask job seekers if they are homosexuals or heterosexuals, or if they have ever got married. In fact, this is no longer how Hong Kong is like nowadays. Regarding the most extreme examples cited just now, I believe Hong Kong people would not ask other people such questions either. They include such questions as seeing if a student is homosexual first when enrolling students

or making assessments. This is definitely not a factor that we would take into consideration.

At present, it is indeed unnecessary for us to convince one another or to make the other side accept or appreciate one's own views. The laws of Hong Kong can protect homosexuals and many kinds of love relationships that deviate from monogamy. There is complete freedom and all parties can actually have discussions freely and the mass media can also express themselves very freely. However, the laws of Hong Kong also protect the freedom of anyone to voice disagreement, non-acceptance or non-appreciation of homosexuality, heterosexuality, the taking of a second wife and such love relationships as tripartite or four-party ones. In fact, I believe that so long as people could co-exist peacefully, society would be much more peaceful. The existing laws actually afford various people and groups sufficient freedom of speech. Many past examples show that the enactment of legislation on moral issues would invariably end up in an overkill. The law cannot change people's opinions but it can really restrict the freedom of a person to express their views on some moral concepts freely.

In the past, I have received a lot of data and examples, in particular, those relating to some overseas countries. In the United States, various States are allowed to enact different legislation, that is, if citizens of various States in the United States have different moral concepts, their laws would also be different. However, after many States had enacted legislation on homosexuality, interminable lawsuits arose and a lot of homosexuals would be very critical of many minor issues. In fact, a lot of ordinary people may not accept or agree that homosexual behaviour live up to moral standards, but they are not lawyers. When they speak, they may only be making comments as ordinary people and voicing their views in their own social circles, but such matters may end up being taken to court. I think that in the past, there were also such instances and actual examples in which people who had expressed views that were disapproving of homosexuality became beleaguered in their homes, their groups or on the Internet. This is why these people have such great concern.

I believe that if people still use some very mean language to describe homosexuals nowadays, for example, I do not agree with using the term "gays" now to describe homosexuals, as mentioned by Members just now, and this is



absolutely wrong. However, in the same vein, we should not accuse people who voice disagreement as criminals or Talibans. In fact, using such language cannot help in any way. I believe that on this kind of moral issues, both parties can make some concessions. If the enactment of legislation is adopted to coerce or force other people into accepting one's values, this will surely arouse great controversies in Hong Kong.

Therefore, I believe that launching consultation would arouse a great controversy, so I cannot agree with this for the time being. I so submit.

**DR KENNETH CHAN** (in Cantonese): President, I believe today's debate is important in that in the course of debate, Members or Honourable colleagues in the legislature, as well as various groups and individuals in society, can present their views. This morning, I received some petition letters at the entrance of the Legislative Council Complex from members of the public who wanted to get an opportunity to voice their views on this issue or have their views heard by Honourable colleagues in the legislature or the Government. I have had a quick look at the letters. These people also pointed out verbally that they did not mind, nor were they opposed to, any consultation, but they had great reservation about enacting legislation. In fact, this can also be considered a kind of progressive attitude. If not even a single step can be conceded and it is said that neither discussion nor consultation is necessary, still less the enactment of legislation, I wonder what kind of ideology or value judgment has actually been imposed on other people.

President, I am a Christian, and also a Catholic. Regarding the debates on the issue of homosexuality, I have had some first-hand experience and have taken part in quite a number of debates and discussions. Some of them were very fiery and there were also tense and rousing moments, and even the raillery and accusations directed at each other, as Dr Priscilla LEUNG mentioned just now. It can even be said that such scenes occur in close succession, so everyone had a very bad time and felt very unhappy. However, does this mean that we have to evade the problem by burying our heads in the sand or "trimming the toes to fit the shoes"? I believe it does not. The civil society in Hong Kong is mature enough and the parents, teachers, religious congregations and even academics, groups for sexual minorities, as well as other people and groups in civil society

all have sufficient experience in dealing with these arguments in a mature manner, as well as many opportunities to do so.

A public consultation will precisely give our society an opportunity to examine and look at the manifestations of discrimination or anti-discrimination that may occur at various levels in our daily life and it is worthwhile to raise them for discussion. We often believe or consider Hong Kong society to be an advanced, well-developed place oriented towards the world and embracing universal values. This being so, why do we not allow an open debate, so that we can discuss this issue properly?

Just now, I noticed that the Secretary said at the beginning of this debate session that he had reservations about consultation because he was concerned a consultation would lead to the issue of enacting legislation. However, I believe that if the Bureau does not intend to do so, it does not have to mind too much about carrying out a fair consultation exercise, so that different views can be expressed. It does not have to be overly concerned that we would be apprehensive of consultation or that we have to express our ideas or value judgments very systematically. This is always better than everyone looking lost, disoriented and unfocused whenever the issue of homosexuality or different sexual orientations is discussed, with all people presenting their own arguments, then raising such issues for discussion again several years later.

I have to point out that in 2006, I was a member of the Justice and Peace Commission of Hong Kong Catholic Diocese and there was a great deal of debate on sexual orientations in the Commission. At that time, I really saw a lot, so I really want to tell the Government that this time around, if it still wants to muddle through, hoping that it can shirk its responsibility without being noticed and that Members would negative a series of motions and amendments, such that it can say since we cannot reach any consensus, the Government does not want to do anything. I believe this would not be the most equitable approach to many people taking part in the discussion, both to groups or people for and against this issue. I think our society has sufficient courage to discuss this issue openly.

President, when I looked at the friends taking part in the motion debate today, for example, Mr CHAN Chi-chuen, I found that I share many similarities with him. We are both surnamed "CHAN" and both graduates of The Chinese

University of Hong Kong. We both studied in the Social Science Faculty and at present, we are even colleagues in the legislature. We have many similarities but of course, we are different in sexual orientation. This is an objective fact. However, concerning these differences, we can still raise them for discussion in society and in the legislature. I believe Mr CHAN would not mind me discussing our different orientations or ideas from the religious perspective. Why can these issues not be raised for discussion in an open, fair and impartial manner?

The Civic Party is very concerned about whether or not there are a lot of manifestations of discrimination in society. If there are, how can our Government or society address such manifestations of discrimination properly? I understand that many religious groups would say that education is better than legislation. I believe they may not necessarily conflict with each other in terms of logic. A lot of legislative exercises or discussions on enactment of legislation have an educational element in them. Public consultations *per se* have very important educational significance to all groups and stakeholders taking part in the consultation, as well as to me. It can also serve as a survey of the existing differences in society and whether or not they have resulted in the so-called manifestations of discrimination or anti-discrimination. It is worthwhile to raise all these issues for discussion, so I cannot see why we have to evade this issue.

Of course, I notice that today, outside the legislature, there are some colleagues of the Civil Service or the Administrative Officer grade who are playing a so-called "paparazzi" role by ascertaining Members' voting inclinations. As far as I know, it seems they hope that Members would cast opposing votes such that consultation would be ruled out. I wonder if it is necessary for the Government to go so far.

President, as a Christian and a Catholic, the Prayer of Saint Francis of Assisi is a prayer that is firmly graven on my heart. I studied in St. Francis Of Assisi's English Primary School in Shek Kip Mei and the insights I gained from the Prayer of Saint Francis of Assisi have been very useful throughout my life. I wish to share it with Members, "Lord, make me an instrument of your peace. Where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy. O Divine Master, grant that I may not so much seek

to be consoled as to console; to be understood as to understand; to be loved as to love. For it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life."

God loves the world and this refers to everyone. We are all born equal. We wish to see this society move in the direction of care and love, forgiveness and tolerance rather than that of evading issues, thus creating greater misunderstandings. The Government has folded its arms, just letting society become divided and engage in some most irrational and emotional discussions. I hope this legislature can bring about greater scope for rational discussions, rather than reinforcing the suspicions, misunderstandings and emotional accusations among all parties. Thank you, President.

**MR ABRAHAM SHEK:** President, I am moved by the speeches made by Members who are speaking for the motion, particularly Mr Dennis KWOK and Dr Kenneth CHAN. They have quoted from the New Testament of the *Bible*, especially from the Gospel of Mark. Mr Dennis KWOK talked about the verse of "do not judge and not to be judged". In life, we never judge, we only judge when the Judgment Day comes, and we live by the rules of God. As for Dr Kenneth CHAN, he cited the quotation from St Francis and I really live by that tradition which is how to love, how to forgive, how to forget. That is important in our lives, and is also important in making us live in peace and harmony with not only nature, but also human beings. But love does not mean that love can be regulated. Love must come from the heart; love must come from the mind; love must come with sharing, but love cannot be dictated by legislation. That is the difference between gospel teaching and what is being advocated in today's motion debate.

The motion debate is on "同志平權". Literally, it is very mild. I have great respect for my colleague Ms Cyd HO. I always support her as she speaks eloquently and from her heart. This title of the motion debate may appear simple, but if you really study it, it is in fact not simple. 同志 is every man in terms of equal rights and freedom, and they do have rights and freedom. All men are born equal. Nobody is more equal than the others. But in this particular motion debate, they are not asking for equal opportunities, but special protection by law.

If I have a daughter — as a Catholic, I am also like you — I will teach her that in his teaching, Jesus Christ said if God decided to put man and woman together, no man should put asunder. I have committed that wrong, but does it mean that I should not teach my children that a man loves a woman? In the Gospel, they never teach a man to love a man in the way he loves a woman. Loving a man and loving a woman is the same, but husband and wife is a different type of love. This is what I learned, but I might not be right.

Legal expert like Mr Ronny TONG was speaking very eloquently. He said if we mention "gay佬", it should ..... we should not be ..... I do not believe in discrimination. No man should be discriminated against. Any form of discrimination is wrong. But talking about issues like what we are now discussing is very important. You say that the AOs are actually watching every step of ours but nobody can affect us in voting. This is a vote of conscience. This is a vote on morality. This is a vote on freedom. This is a vote against discrimination. But it does not mean that we should be guided, and to the extent, President, that everything must be legislated. Legislation must come very last. What is good is not necessarily right, and what is right must always take precedence of what is good.

When I was young, I studied in a convent school. The first lesson my mother taught me covered four words: good, bad, right and wrong. What is good and what is bad? What is right and what is wrong? A lot of our Members speaking here are very good. At the moment, we are talking about freedom. Mr Ronny TONG once taught me freedom is not absolute, freedom must be exercised to the extent that we are not infringing on other people's freedom. Our freedom is based on our values, our traditions, the values of our society. Emily was talking about the ICCPR, but she had quoted only a part of it. The ICCPR only recommends doing it, but leaves a room for every nation to decide, according to its values and traditions, on how not to practise racial, sexual discrimination. This is what the whole society is about.

A society based on harmony, trust and love is much better than a society ruled by legislation. Legislation is only the last resort. If we have respect for each other, we do not need a law to tell us how to respect. I do not need a law before I respect my opposition. I respect my opposition, but I do not want my opposition to tell me that law must be enforced to tell me how to teach my

children. That infringes upon my freedom. My children have a choice to decide what to do and how to do it.

In this particular motion, we are talking about religion, morality, discrimination. Leave it to our conscience. Do not ask for legislation. I hate legislation. I only believe that legislation is the last resort for a civil society. A civil society must be based on civility, trust, and love, like what the Catholics and Christians believe in. It is only on that basis that we can sustain a civil society. Thank you, President.

**PRESIDENT:** It seems interesting that someone who hates legislation can become a legislator.

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

**DR HELENA WONG** (in Cantonese): President, last year, the United Nations Human Rights Council passed a resolution, expressing grave concern about the violence and discrimination imposed on the ground of sexual orientation and gender identity in various regions around the world. In Hong Kong, a number of ordinances against discrimination have been put in place since 1995. At first, Anna WU, a former Member of Legislative Council, proposed a basket of bills on the right to equal opportunities. However, at that time, the Government adopted a piecemeal approach by first introducing the legislation on sex discrimination and disability discrimination, followed by the enactment of the Family Status Discrimination Ordinance and the Racial Discrimination Ordinance. In respect of the legislation against sexual orientation discrimination, the Government has all along been procrastinating, and no progress has been made so far.

Different opinions have been expressed in society. Homosexual groups have reflected to us repeatedly that they are deeply troubled by the lack of protection for homosexual partners or families under the law. Due to the lack of protection in law, they encounter difficulties in application for public rental housing, tax concession for spouse, medical insurance coverage, hospital visit, estate handling, application for reunion with family members and criminal

liabilities, and so on. At the same time, they are facing discrimination in employment.

In the discussion on the motion proposed by Ms Cyd HO today, we earnestly hope that the Government will enact legislation to protect people of different sexual orientations, such that they can be enabled to enjoy equal opportunities and basic rights, and to conduct consultation on the issue. We understand that there are divergent views in society. Today and some time ago, religious groups, including Catholic and Christian church groups, have expressed their worries to us. These groups stated that if homosexuals suffer from discrimination in certain areas, they are willing to listen and seek legal advice on such areas. Hence, these groups are not discriminating against people of different sexual orientations. Meanwhile, they also expressed their worries, for they fear that once the legislation on the right to equal opportunities is passed, members in the religious sector will be unable to spread the moral values and beliefs they believe. They are worried about this.

President, in my personal view, if legislation is to be enacted to protect the rights of people of different sexual orientation in a pluralistic society, the objective of legislation should be respecting and embracing the rights of all people of different sexual orientations. In other words, when legislation is enacted in future, the legislation should not be used for providing special protection to people of certain sexual orientations, but should protect the rights of homosexuals on the one hand, and respect the rights of heterosexuals on the other, so that they have opportunities of equal treatment and they would not be subject to discrimination and malicious attack.

I am a Christian and I believe that God creates all things. However, not every man created is the same. They have different skin colours, preferences and habits. Hence, we must respect that all men and lives on earth are the creation of God. During the election, some people had already raised queries on this issue, and Dr Priscilla LEUNG attempted to draw me into a dispute over this issue. However, I have already stated my understanding of the theory of creation, that is, all things are created by God. Be they homosexuals or heterosexuals, and whether or not they decide to undergo transsexual surgery eventually, the fact is that they are God's creation. We must respect that God also loves these people and they are created in the image of God. We are all born equal. We should all be respected. No one should be treated differently

on the ground of race, sex, age, sexual orientation, skin colour, appearance, body figure, religious background, political belief and union background, and so on.

President, though I am a Christian, and I know my church is relatively conservative on this issue, opposing the enactment of legislation on this, I have my interpretation in religion. I think we should learn to treat people different from us with compassion, learning to embrace them. I am a Member of the Democratic Party. A very important value in democracy is the emphasis on the protection of the majority principle while respecting the rights and interests of the minority. Hence, in the perspective of democracy, we consider that society should maintain diversity in culture and respect differences. On the one hand, we have to uphold our ethics, religion and sexual morality, and we should respect that others are different from us on the other. Hence, I hope that the legislative work in future will be geared in the direction of inclusion and mutual respect, as well as enrichment of society.

With these remarks, President, I support Ms Cyd HO's motion.

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

**MR WONG YUK-MAN** (in Cantonese): President, the wording of today's motion is, "That this Council urges the Government to expeditiously launch public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of people of different sexual orientations". What a humble request! When I see a Member of the Legislative Council proposing a motion debate like this, I cannot but describe this as "passive and compromising". Nonetheless, in this legislature, this motion is doomed to be negated, for people like Dr Priscilla LEUNG form the majority in this legislature.

Today, the conservative force, which is completely out of pace with society and justice, is in the majority in this legislature. Now you are merely urged to end the discrimination. No one is trying to kill your father, is anyone doing so? No one is coercing your sons into becoming gay, is anyone doing so? You are only asked to stop the discrimination and discuss the issue, yet you hastily consider it wrong to discuss the issue. The motion only urges for the cessation



of discrimination and the commencement of consultation on legislating against sexual orientation discrimination, yet you do not allow such a motion to be passed. How would Hong Kong live up to its claim as an advanced, open and civilized society then?

In 1995, Anna WU proposed a Private Member's Bill, which content covered protection against sexual orientation discrimination. This is a legislative proposal including protection against sexual orientation discrimination. Of course, the Bill was voted down, and it only ended up in negotiations. In 1996, LAU Chin-shek put forth another Private Member's Bill. Compromises in various aspects had been made in the Bill, yet it fell two votes short, 25 to 27, of passage eventually. The credit should go to Frederick FUNG and Bruce LIU, for they had both voted against the motion of LAU Chin-shek, adding the so-called independent Member Andrew WONG who had also voted against it.

It has been 16 years since 1996, President, and we have become so passive and compromising. At that time, Members might still put forth a Private Member's Bill, managing to secure a voting result of 25 to 27. But today, in this Chamber, the mere request of conducting consultation has provoked opposition to the extent as if "your whole family will be killed". The issue has been elevated to the political plane infinitely. What kind of legislature is this? To put it crudely, it has brought shame to this legislature. How can this society be regarded as civilized? Is every one haunted by the spirit of the Society for Truth and Light? The Society has carried it to the extreme by stating that the happy ending of fairy tales will have to be altered, where the ending about the princess marrying the prince will be regarded as sexual orientation discrimination and must be changed to the prince marrying another prince. How can they say that? How can they carry the issue to such an extreme? What kind of society is this?

Earlier on, many believers from different religions have participated in the debate. You are a believer, so am I. Earlier, Dr Kenneth CHAN cited the prayer of St Francis written in the 13th century. The theme of the prayer is to explain the nature of Christ's love, but not in the way you put it earlier on. The essence of Christ's spirit is to bring hope and love to others. What are you talking about? The prayer which was written in the 13th century was spread worldwide during the World War II.

To date, though our political stance may be different, our stance on this issue ..... We are not asking for the immediate enactment of legislation, we only hope that by means of this motion, which I consider passive and compromising, we can open up a gap for consultation. But still, this cannot be passed. We only hope to create a forum for debate, such that we can see how you have taken the moral high ground and how you have been out of pace with society. The government official in the Chamber is also a Christian, yet he dares not state publicly that the legislation against sexual orientation discrimination is unnecessary. He dares not say so, does he? No matter how courageous he is, he does not have the guts to say so. The Government indeed wants to gauge the mainstream opinion so that it can calculate the percentage of support and opposition. How will it calculate the percentage? May I ask how the calculation of percentage is made? How will it calculate the percentage of supporting and opposing votes in this Council? How? The greenhorns of the DAB have left us with vivid impressions. We are all impressed by figures like "YUEN Qiu" and "Tree-kun". This time a new figure called "EQ" impressed us. Concerning this question, her stance is similar to ours. However, she has not obtained exemption from her party to vote for the motion, and she can only abstain. In fact, this is a progress. The situation is strange, for the number of vote ties in with the number of political parties in the legislature.

Therefore, ROUSSEAU's opposition to indirect democracy back then was justified in some measure. Public opinions fail to be represented, for it turns out that representatives in the legislature are not representing the views of the public, but only that of their political parties. The number of votes is determined by the number of political parties in the legislature. The situation of small political parties is even worse, for they do not have any right to speak. The Member beside me is nodding. You are also from the minority parties, I think, am I right? The only difference is that one of your members is a Member of the Executive Council, so you are more powerful than us. We are a group of "villains" and a gang of "beggars". Am I right? We have no alternative but to raise a hue and cry here to give voice to our demand.

President, we definitely have to support this motion. The reason is simple: "All human beings are born free and equal in dignity and rights". Only that I am frustrated. In 1995, Anna WU requested the enactment of legislation by means of a Private Member's Bill, which was voted down at the time, and the

Equal Opportunities Commission was subsequently set up. The following year, 1996, LAU Chin-shek proposed another Private Member's Bill, which was voted down with 25 votes in support and 27 votes in opposition — Frederick is not in the Chamber now, I did listen to his speech earlier. Back then, Frederick and Bruce LIU voted against the Bill, and together with Andrew WONG, the Private Member's Bill was negatived! Had they not opposed the Bill, the situation would have been different today. We would not have to put forth such a humble request for consultation to the Government 16 years down the line. The request has been elevated to the political plane and we are bombarded by criticisms and attacks, as if it will lead to moral degradation and the imminent fall of Hong Kong. Thank you, President.

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

**MR PAUL TSE** (in Cantonese): President, I think what Mr WONG Yuk-man meant to say earlier is not the negation of the sexual orientation discrimination bill in 1996. I think Mr WONG Yuk-man has mixed up the two ordinances, one is the Sex Discrimination Ordinance and the other is the bill on sexual orientation discrimination. The Sex Discrimination Ordinance was enacted in 1996.

President, the subject of the debate today is very interesting, for Members from various political parties and groupings and with different backgrounds have spoken. I suddenly noticed that there are so many Catholics and Christians in this Council. I even found a younger schoolmate from St Francis of Assisi's English Primary School. When he read out the prayer of St Francis earlier, it brought back the memory of reading aloud the prayer every day in those days. It is quite interesting. Regarding the discussion today, justifications can be advanced from various perspectives, and I thus hope that Member will focus by all means their observation on the original motion during the discussion. President, the tenet of the issue is that we are not to decide now whether or not homosexuals should be recognized by society and whether or not legislation should be enacted on its recognition. The development has yet reached this stage. Members know clearly that now we are only discussing whether or not formal consultation should be conducted. In my view, in Hong Kong society nowadays, we can hardly say no. In a society proclaiming openness and democratization, this is the "minimum price" to be paid.

However, I think at issue is the drawing of the line. Mr WONG Yuk-man was shouting and bawling earlier that we should not discriminate against others. But I heard him mocking others in the debate, calling others "YUEN Qiu" and "Tree-kun", and so on. Honestly, those words are discriminatory *per se*, discriminating against people who are not fluent in English or whose way of speaking does not sound pleasant. In fact, discrimination of various levels, grades and degrees are found in every society. In respect of drawing the line, our society so far has only provided protection against four types of discrimination, including sex discrimination, disability discrimination, family status discrimination and racial discrimination. But many other kinds of discrimination do exist, only that at the present stage, the situation is not mature or the severity of the problem has not reached a point that warrants the enactment of legislation as a solution. These areas include discrimination against education background, English proficiency and even age, native places and accents, and so on, which we have not yet had the opportunity to address. Indeed, at issue is where the line should be drawn?

After the line is drawn, there comes the concern of how we should handle these cases. In the past, there was criminalization. Certain acts were stipulated as serious crimes. In later development, there was decriminalization. At the present stage, legislation has been enacted to prohibit certain acts. We are even discussing whether positive recognition of these acts should be considered apart from legislating against discrimination against these acts. In this connection, the gravest concern is whether the battlefield will be pressed further from anti-discrimination to the recognition of same-sex marriage, the estate succession right of homosexual partners and the right to adoption of homosexual partners, and so on. In view of the development overseas, many members in the religious sector are really worried. For this reason, they consider that they should stoutly defend this line, hoping they will not lose the battle. They have lost Lei Yue Mun, so they do not want to lose Stanley and Wan Chai Gap, and even Hong Kong Island as a whole. At issue is where should the line be drawn? I think we do not have to be too nervous or defensive for the time being, even to the extent of not accepting consultation. At present, it is only about discussion. I believe the public will have ample opportunities to express their views before a decision is made on the line to be drawn on sexual orientation and the way to address the issue. We will have further extensive debates on this.

Certainly, the many examples cited by Mr James TO have prompted deep reflections. As the only incumbent member of the Equal Opportunities Commission in this Council, I notice in the handling of cases that the openings have often put us in a difficult position in decision-making. I recall there was this case involving some male workers delivering pork by bicycle with the upper part of their body bare in summer, and it was accused by others as sex discrimination. Is there anything wrong with this? For instance, if teachers are required to wear skirts but not trousers in class, is this sex discrimination? We have to face a lot of problems. We have to face different societies, different backgrounds and different rates of progress in civilization. The recent popular discussion about a prince marrying a prince is a case in point. Let me cite another example. In the past, society in the United States was so happy to greet each other with "Merry Christmas", but now, they can no longer say "Merry Christmas" but only "Happy Holidays". As for our society, where do we want to draw the line? These are issues we should discuss and reflect on. The discussion and reflection should start today. Even if consultation and discussion are to be carried out, this will only be the beginning. I think we should not say no at the present stage.

Moreover, regarding the President's humorous response to Mr Abraham SHEK, pondering why he would become a Member of the Legislative Council though he did not like enacting legislation, by the same token, the President may also laugh at me. I do not like enacting legislation, yet I am a lawyer and a Member. I do not like enacting legislation for I think that the enactment of legislation is the last resort. The enactment of legislation should be considered only when there is no alternative, when education and promotion have been tried in vain. The reason is that the cost of enacting legislation is high. Particularly when it comes to issues involving morality, religion and values, it should be handled cautiously. We should only enact legislation when some serious situations which we must handle arise and society at large has reached a consensus. Otherwise, any legislation of this kind, including anti-discrimination legislation which appears to be mild on the surface, will bring many challenges to society from time to time, though imprisonment may not be meted out casually as a deterrent as claimed by Mr James TO. Certainly, in Hong Kong, there is no question of being jailed for discrimination. The public do not have to worry about this. Even if legislation is enacted in future, it will not lead to imprisonment. However, if we allow our social values, behaviour and languages be intervened by the law, terms like "Tree-kun" will be prohibited in future, is

this the situation we desire to see in Hong Kong society? At present, it is only a matter of how to draw the line. So, it is no laughing matter. If we resort to the enactment of legislation casually, many issues cannot be treated to jokes, not even calling others as "old man" or "old prat", or mocking the accents of others. A lot of things may happen.

President, I hope this will be a good start to allow us to discuss the issue. Today, I will only oppose the amendment proposed by Mr CHAN Chi-chuen, for his amendment restricts that legislation must be enacted within the term of the current Legislative Council.*(The buzzer sounded)* Thank you, President.

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

**MR ALBERT CHAN** (in Cantonese): President, whether a society is civilized and advanced depends on its acceptance and tolerance of the expression of divergent views, the existence of different values, the development of different styles of life and different religions.

When we look at history, there were times of feudalistic society, parental dictatorship, emperor dictatorship and standardization in a country. During those times, the remarks of the emperor were supreme orders, where all other practices contradictory to the values of the dictator and the emperor would be abolished, and ninth generations in succession would be killed. These happened from time to time. When we look at the development of civilized societies, particularly the emergence of opened ideology, ideological reform and even ideological emancipation in Europe after the Renaissance, soaring development was achieved in culture and arts, and significant changes and improvement in science and living standard made. However, for the closed tribes and clans in feudalistic societies, we notice that people in general continued to live in predicament and suffer from the aggravated disparity between the rich and the poor, and many people were still under the control of feudal lords.

Hong Kong is a weird society. Despite the prosperous economy and advancement in technology, the political system in Hong Kong is still feudal and backward. The Presidential election of the United States has just been concluded. Barack OBAMA is re-elected. I would like to take this

opportunity to congratulate OBAMA for his success in getting re-elected. Tens of thousands of electors have realized their right to "one man, one vote" in a democratic election to enable OBAMA to be re-elected for another term. Many States in the United States have conducted referendums via the election to decide which States would set up the same-sex marriage system. Many open, democratic and civilized societies have made a decision on the issue by means of referendum. The children of certain super rich and powerful people in Hong Kong have taken a long way to France to get married, for they cannot marry with their same-sex partners in Hong Kong. However, the marriage is not recognized by her father. Eventually, her father offered an award of several hundred millions to try to find an opposite-sex partner for her. The conservative thinking of parents has been brought into full play, and the outdatedness of Hong Kong society is brought to light. As a representative of public opinion in the legislature, I feel ashamed and sorry when I see these situations in Hong Kong.

As I said in the very beginning, whether a society is advanced and civilized depends on its acceptance of divergent views. I recall that it was some 30 years ago when I first came into contact with homosexuals. At that time, I was studying in a university in Canada. There was a schoolmate with outstanding performance, who was a straight-A student, but he was not seen for quite some time. Later, I learnt about his homosexual orientation from other schoolmates. Back then, certain provinces in Canada were relatively resistant to homosexuals, but still, they were more civilized and open than Hong Kong nowadays. Due to legal concerns and family pressure, this schoolmate found himself unable to cope with the pressure at the time, and he left for Europe to live in Germany after graduation for his homosexual orientation. Back in Hong Kong, the situation is the same. In the case of the rich and famous families I mentioned earlier, the children had to go a long way to France to get married. Due to the discrimination in Hong Kong society, many homosexuals of the younger generation may decide to stay overseas and not return to Hong Kong after they have finished their studies there, for this society cannot accommodate and accept people of different sexual orientations.

Regarding the causes of homosexuality and other aspects, many colleagues have talked about this in the Chamber and I will not repeat them here. In gist, according to the studies on various fronts and the rulings of various places, there is a clear conclusion that congenital factors count in homosexual orientation, and more often than not, it is beyond the control of individuals. If society continues

to resist, discriminate against and prejudice them, such practice will be extremely inhumane and uncivilized.

Today, many people are waving the rainbow flags. Many people do not know the meaning of the different colours on this rainbow flag. Let me take this opportunity to promote it. Red, there are many political figures with the red background in this Chamber, am I right? However, the red colour on this flag is not the same as the red representing the communist party, nor is it the red background against the five-star flag. The red on this flag represents life, but not revolution. The yellow colour represents the sun; orange represents recovery; green represents nature; blue represents harmony and violet represents its spirit. I hope that this rainbow flag will fly in this Chamber, and the problem of discrimination against homosexuals will be ameliorated and solved in future.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Ms Cyd HO, you may now speak on the four amendments. The speaking time limit is five minutes.

**MS CYD HO** (in Cantonese): President, I would like to thank the four Members for proposing amendments to my motion today. Some of the amendments, including the amendments by Mr Gary FAN and Mr CHAN Chi-chuen, have provided positive support, and I have to express my deep gratitude to them for enriching the content of my motion. Regarding the amendment by Mrs Regina IP, I like it, for her speech has hit the nail on the head. When she scolded the Government, she gave it a slap right on its face. She has added the following wording, "as the Government's current publicity and education measures as well as the guidelines it issued have all along been unable to effectively protect people of different sexual orientations against discrimination, harassment and bullying", which is absolutely right.



Earlier on, Mr Ronny TONG said that it was ridiculous that a request for enacting legislation to protect the rights of the minority had to count on the acceptance of the majority. Right, that should not be the case. Indeed, the Government should take the lead in protecting human rights. Human rights affairs are under the purview of Secretary Raymond TAM. Secretary, though your Policy Bureau is called the Constitutional and Mainland Affairs Bureau, human rights affairs have been transferred to your Bureau from the Home Affairs Bureau. It is your responsibility to protect human rights, so the human rights of those in the minority are within your purview.

The authorities have set up a follow-up team, but the team has all along failed to perform its functions, and the resources and manpower allocated are terribly limited. According to the several opinion polls conducted, more than half of the members of civil society outside the legislature support the enactment of legislation. The public is walking faster than you. What is this Government doing? When the public did not want to walk forward in the lack of understanding, you used this as an excuse for doing nothing. But when the public want to walk forward, you remain standing and do nothing. Homosexual taxpayers are paying your salary, and they are really annoyed about that. Why do they have to pay you the salary to prevent them from getting their equal rights?

The request put forth in the motion today is really humble. It is only a request for public consultation, hoping that by means of consultation, discussion and reciprocal persuasion, the mutual understanding between the two groups will be enhanced, thereby resolving many conflicts between them. These are the duties of the Government. The Government should work to resolve conflicts among different social groups and promote harmony in society. However, the earlier speech of the Secretary really makes me angry. He dared not denied the existence of discrimination, yet he stated the many difficulties concerning basic rights. You should read the amendment by Mr CHAN Chi-chuen. He mentioned the protection against discrimination in receiving education, employment, commercial services and social services as well as renting, purchase and selling of premises. Secretary, housing is a basic right, is it not? Why did you not mention these areas but jump to the registration of partners and marriage, which are issues arousing great controversies? You are taking advantage of the situation to evade your responsibility. Therefore, Mrs Regina IP's amendment is correct. The Government's failure in this respect is not merely a structural

problem, and the timidity and the mindset of avoiding responsibility as far as possible of government officials also have a part to play. You are always concerned about securing votes only. I thought you were canvassing votes from Members to support human rights, but it turns out that you are urging them to vote down the motion. How shameless.

President, as Mr IP Kin-yuen said earlier, all along, those in the majority have been living in a free and stable environment, for they are not subject to harassment, discrimination and impacts. To change the current status of the minority of being subject to bully, the majority living freely and in peace should be spurred to face the predicament of the minority squarely. Nonetheless, we are only striving for equal treatment but not any kind of special privilege. When it comes to discrimination against sex or women, anti-discrimination legislation has been put in place. When it comes to racial discrimination, anti-discrimination legislation has been put in place. But why when it comes to discrimination against sexual orientations, legislation should not be enacted? Why does the Secretary have to canvass votes for the negation of the motion though it merely requests the commencement of public consultation? You have not fulfilled your responsibility. You stated that they may count on the administrative measures in place, but we notice that those measures have all along been ineffective, and the implementation of the code of practices has also failed to achieve the purpose. Regarding the Code on Access to Information and the Records Management Manual, these rules are ineffective in regulating government departments, let alone the private sector. Most importantly, the policy is directed by an irresponsible and shameless Director of Bureau.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, before I respond to the speeches made by the many Members on this motion today, please allow me to use some seconds to respond briefly to another matter brought up by Mr LEUNG Kwok-hung. President, I notice that when Mr LEUNG brought up the matter concerning Ms HON, you did not rule or state that the matter was not related to this motion, so please allow me to use some seconds to make a brief response for the record.

On last Wednesday Mr LEUNG Kwok-hung contacted my Bureau regarding the matter of Ms HON. The Bureau liaised with the Beijing Office immediately and our colleagues there made some direct contact with the lady and

met her. They also offered assistance pursuant to her demand. Yesterday, we gave a written reply to Mr LEUNG on the latest developments of the matter. It could be due to the fact that the letter was sent yesterday that Mr LEUNG has not yet received it. However, if he thinks that there is anything that requires follow-up, we will be glad to liaise with him.

President, coming back to the topic of this motion, this afternoon I have been listening very carefully to the views put forward by Members. I remain open about the issue. In particular, I notice that some brothers and sisters in Christ have stated their different interpretations and views on the issue. As a fellow Christian, I think that this is a very good learning process.

This afternoon I have gained some fresh understanding of the issue and I benefited from some new perspectives on it. I am sure people who watch this debate, no matter if they are in this Chamber or outside, will share my impression that if this issue is discussed in a rational and calm manner — just like what some Members have done — it would be useful to this issue and also beneficial to our work in eliminating discrimination in future.

Unfortunately, towards the end I have heard some remarks from Ms Cyd HO which are more agitated and even border on personal attack. I feel sorry about that. I believe in this cause of fighting for elimination of all forms of discrimination in society, I am a working partner with Ms HO and I hope she would know that with respect to this matter, I am not her enemy. I do not think she should use this kind of language on me.

President, Hong Kong is a free, open and pluralistic society. Like many people, I respect and I am tolerant of people with different views, positions, personal likings and choices. Of course, we also notice that there are many traditional values around. This is especially true in Hong Kong, a society with a deep-rooted cultural heritage and where many people still adhere to some basic values in family and marriage. There are also different views held.

The Administration will listen vary carefully to different views and positions. We strive to seek a suitable point of equilibrium when formulating public policies and we will respond to the latest development and public opinion in society.

President, the motion calls for an expeditious commencement of public consultation and the scope of enactment should cover not only laws which protect equal opportunities enjoyed by persons of different sexual orientations but also attaching importance to the basic rights of these people.

President, as I said in the opening speech, the motion actually touches on two issues. First, it is a question of timing. We need to carefully consider whether it is now an appropriate time to commence a full-scale consultation in society on this issue. With respect to this point, many Members have put forward their valuable advice earlier.

The second issue is about contents. As seen from the speeches of Members, different opinions are expressed as to the kind of consultation proposed, the extent of legislating work to be done and the scope involved. This applies especially to areas which are highly controversial, such as legalization of same-sex marriage and its impact on social institutions. Some Members questioned if it is appropriate to include this issue in the consultation exercise or discussions. So, one is the question of timing and the other is the contents. We need to ponder over these questions and give serious thoughts to them.

We also notice that people in the community are taking a more open stand about the issue of homosexuality. There are quite many people who have made their own sexual orientations public, and they have made remarkable achievements in their trades, too. Some Members have cited some examples both past and present and we can see that really many people have made their sexual orientations known and they are widely recognized and respected by their colleagues and the public at large.

To a certain extent, this also shows that society is becoming more open and some positive effects on the elimination of discrimination against people of different sexual orientations can be seen as a result of years of hard work and collaboration between the Government and civilian groups in organizing educational and promotional efforts.

Having said all these, we should know that many persons of different sexual orientations are still discriminated against in their workplaces. Some Members have cited some survey findings to demonstrate the fact that many

people of different sexual orientations have experienced some unfavourable treatment in their workplaces. We should address this problem squarely, and we should do something about it seriously.

President, the Administration will carefully consider all the different views presented and stands held by Members. I would like now to reiterate a few points again with respect to this motion debate.

First, I wish to state again that the SAR Government believes that all men are born equal and hence should enjoy equal opportunities. We will strive to eliminate all forms and acts of discrimination in society.

Second, we will continue to work through the Equal Opportunities (Sexual Orientation) Funding Scheme to finance relevant community functions; enhance the promotion of the *Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation*; organize and facilitate exchanges through the Sexual Minorities Forum and engage in publicity and promotional efforts in different areas. Many Members hold that government work in this respect is not adequate. We should admit humbly that this is a fact. We should step up our efforts and put in more resources in public education and promotion. I agree with this idea. I will follow this up in the government resource allocation exercise, including funding to enhance the work of the Gender Identity and Sexual Orientation Unit.

Third, the work to stem out discrimination is actually a process. It should be regarded as a project of social engineering. In such a process, as suggested by many Members, we should have understanding, respect, tolerance and sympathy. I can also note from the speeches made by Members that the motion topic today is very complicated. When I was listening to Members' speeches earlier, I noticed that many Members touched on religious values which are of a philosophical nature and also theological tenets taken from the *Bible* as well as arguments on social institutions like marriage and family, as well as aspects of daily life like employment, education and living. The SAR Government will carefully consider all the views expressed and we will gauge the latest developments and changes in public opinion in order to decide how the present-term Government can better do its work in eliminating discrimination.

President, I so submit.

(Mr LEUNG Kwok-hung stood up)

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

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I heard Secretary Raymond TAM talk about the matter concerning him just now, I hope .....

**PRESIDENT** (in Cantonese): What is the question you want to ask? Unless you are raising a point of order, you cannot speak now because your speaking time is over.

**MR LEUNG KWOK-HUNG** (in Cantonese): About the matter for which he said that I have scolded him, I wish to clarify that I have not. I was trying to apologize to him. This is because I have not yet received the letter from him. I have just come back from Japan. So I made a mistake when I scolded him. I hope he can forgive me.

**PRESIDENT** (in Cantonese): You have finished, please sit down.

**PRESIDENT** (in Cantonese): Mrs Regina IP, you may now move your amendment.

**MRS REGINA IP** (in Cantonese): President, I move that Ms Cyd HO's motion be amended.

**Mrs Regina IP moved the following amendment: (Translation)**

"To add ", as the Government's current publicity and education measures as well as the guidelines it issued have all along been unable to effectively

protect people of different sexual orientations against discrimination, harassment and bullying," after "That".

**PRESIDENT** (in Cantonese): I now propose the following question to you and that is: That the amendment, moved by Mrs Regina IP to Ms Cyd HO's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mrs Regina IP rose to claim a division.

**PRESIDENT** (in Cantonese): Mrs Regina IP has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall stop now and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr Frederick FUNG, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr POON Siu-ping voted for the amendment.

Dr LAU Wong-fat, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Mr James TO, Mr CHAN Kin-por, Mr NG Leung-sing, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Martin LIAO and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Dr Priscilla LEUNG, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mr WONG Kwok-kin, Miss Alice MAK and Dr Elizabeth QUAT abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 33 were present, nine were in favour of the amendment, 16 against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, 21 were in favour of the



amendment, eight against it and four abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**MR ANDREW LEUNG** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Equal rights for people of different sexual orientations" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Equal rights for people of different sexual orientations" or any

amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr CHUNG Kwok-pan, you may move your amendment.

**MR CHUNG KWOK-PAN** (in Cantonese): President, I move that Ms Cyd HO's motion be amended.

**Mr CHUNG Kwok-pan moved the following amendment: (Translation)**

"To delete "launch public consultation on enacting legislation to safeguard equal opportunities for and the basic rights of" after "to expeditiously" and substitute with "strengthen its policies and measures, so as to enable"; and to add "to enjoy equal opportunities" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHUNG Kwok-pan to Ms Cyd HO's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Dr Kenneth CHAN rose to claim a division.

**PRESIDENT** (in Cantonese): Dr Kenneth CHAN has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall stop now and the results will be displayed.

Functional Constituencies:

Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Martin LIAO, Mr POON Siu-ping, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Albert HO, Mr Frederick FUNG, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted against the amendment.

Mr James TO, Dr LAU Wong-fat, Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr LAM Tai-fai, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr TANG Ka-piu and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr Paul TSE, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mrs Regina IP, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted against the amendment.

Mr WONG Kwok-hing, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Miss Alice MAK and Dr Elizabeth QUAT abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 35 were present, 16 were in favour of the amendment, eight against it and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, eight were in favour of the amendment, 20 against it and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr Gary FAN, you may now move your amendment.

**MR GARY FAN** (in Cantonese): President, I move that Ms Cyd HO's motion be amended.

**Mr Gary FAN moved the following amendment: (Translation)**

"To add "; the consultation should include: (a) to review the effectiveness of the Domestic and Cohabitation Relationships Violence Ordinance in protecting people of different sexual orientations; (b) to promote the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation, so as to encourage employers to treat people of different sexual orientations in a friendly manner; and (c) to care about the health of people of different sexual orientations, including promoting

physical check-up and human papillomavirus vaccination, etc" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Gary FAN to Ms Cyd HO's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr Frederick FUNG, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr POON Siu-ping voted for the amendment.

Dr LAU Wong-fat, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Mr James TO, Dr Joseph LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr IP Kin-yuen, Mr Martin LIAO and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki and Dr Fernando CHEUNG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Dr Priscilla LEUNG, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mr WONG Kwok-kin, Miss Alice MAK, Mr SIN Chung-kai, Dr Helena WONG and Dr Elizabeth QUAT abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 35 were present, eight were in favour of the amendment, 17

against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, 19 were in favour of the amendment, eight against it and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, you may move your amendment.

**MR CHAN CHI-CHUEN** (in Cantonese): President, I move that Ms Cyd HO's motion be amended.

**Mr CHAN Chi-chuen moved the following amendment: (Translation)**

"To add ", so as to protect people of different sexual orientations against discrimination in receiving education, employment, commercial services and social services as well as renting, purchase and selling of premises, etc.; this Council also urges the Government to fulfil its obligations under the International Covenant on Civil and Political Rights of the United Nations to initiate the work on enacting a sexual orientation discrimination ordinance within the term of the current Legislative Council" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Chi-chuen to Ms Cyd HO's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr CHAN Chi-chuen rose to claim a division.

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr POON Siu-ping voted for the amendment.

Mr James TO, Dr LAU Wong-fat, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Mr Frederick FUNG, Dr Joseph LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr IP Kin-yuen, Mr Martin LIAO and Mr TANG Ka-piu abstained.



Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mrs Regina IP, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Mr SIN Chung-kai voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Dr Priscilla LEUNG, Mr Paul TSE, Mr Michael TIEN, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mr WONG Kwok-kin, Mr WU Chi-wai, Miss Alice MAK, Dr Helena WONG and Dr Elizabeth QUAT abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 35 were present, six were in favour of the amendment, 19 against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, 17 were in favour of the amendment, 10 against it and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Ms Cyd HO, you may now reply and you have four minutes 49 seconds.

**MS CYD HO** (in Cantonese): President, I adopted an attitude that there was no enemy when I proposed this motion. I wish to achieve social harmony and eliminate the conflicts between the two social groups. However, as the

Secretary is not an ordinary citizen, but a government official in charge of promoting human rights, I cannot connive at a politically appointed official who is derelict of his duty even though I have no enemy.

Today, I am most grateful to those 28 Members who have spoken. Regardless of their present stances, I thank them for their speeches because this is the first step of conducting public consultation which allows us to discuss the issue in an objective and rational manner. In particular, I have to thank the support of Members with religious background. I am most grateful to them for having separated legal protection from religious faiths.

Public consultation can help eliminate conflicts actually. I understand that some people in society have expressed specific concerns and doubts about equal rights for people of different sexual orientations. To have public discussion on this issue will precisely enable us to provide information that can dispel their doubts in relation to their specific concerns. However, if I do not recognize the existence of discrimination, I would be like Dr Priscilla LEUNG and Mr IP Kwok-him who reject homosexuality from acceptance in the mainstream social system, while thinking that they themselves very much respect homosexuality. This attitude *per se* will encourage discrimination.

President, in my remaining time I will clarify some people's doubts. Firstly, people fear that religious freedom will be lost if legislation is enacted. In fact, religious freedom is protected by Article 141 of the Basic Law, under which the Hong Kong Special Administrative Region Government shall not restrict the freedom of religious belief, interfere in the internal affairs of religious organizations, or restrict religious activities which do not contravene the laws of the Region. The Legislative Council will not pass any legislation in breach of the rights protected by the Basic Law.

Secondly, regarding doubts in respect of education, will schools which do not teach this subject violate the law? In fact, Article 137 of the Basic Law also protects the academic freedom of various educational institutions, including the freedom to promote religious beliefs by schools sponsored by religious bodies. Putting aside the legal issue, teachers are duty-bound to inform students of the existence of different sexual orientations. This is the responsibility of the teachers regardless of whether homosexuality is lawful or not. Many children will realize their gender identities when studying in junior secondary school.

They will be afraid and too shy to disclose their differences to others. A responsible teacher should inform students in an objective manner that there are people of different sexual orientations regardless of his personal view on different sexual orientations.

Some friends are also concerned about the freedom of speech. They are worried that the making of criticisms against different sexual orientations will not be allowed if legislation has been enacted. In fact, the existing ordinance on discrimination also covers both the offences of vilification and serious vilification. It is clearly provided under the relevant ordinance that a person commits an offence if he incites hatred towards, serious contempt for or severe ridicule of another person, or engages in an activity which consists of threatening physical harm towards, or towards any premises or property of, another person.

No story has ever been written about the relationship between a prince and another prince. We are worried about whether a prince might or might not live happily forever with a princess. In fact, such a worry may be "hypothetical" as it will not lead to prosecution under the law.

President, I hope that we can express our concrete concerns so that we can, in the process of public consultation, remove people's misunderstandings by means of objective and accurate data and justifications. Let us continue to adopt an approach based on facts and reason. Speaking of loss, the loss to the Chinese literary circle is PAI Hsien-yung, who had to leave his homeland because his homosexuality was not accepted by his family and society. As a result, he was unable to write good works in China and this is a loss to the Chinese people.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Cyd HO be passed

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Cyd HO rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Cyd HO has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr Frederick FUNG, Dr Joseph LEE, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr POON Siu-ping voted for the motion.

Dr LAU Wong-fat, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the motion.

Mr James TO, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Martin LIAO and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the motion.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Dr Priscilla LEUNG, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the motion.

Mr WONG Kwok-hing, Mr WONG Kwok-kin, Miss Alice MAK and Dr Elizabeth QUAT abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 35 were present, 10 were in favour of the motion, 17 against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, 21 were in favour of the motion, eight against it and four abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

**PRESIDENT** (in Cantonese): Fourth Member's motion: Perfecting housing policy and resolving public housing need.

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

I now call upon Mr WONG Kwok-hing to speak and move the motion.

**PERFECTING HOUSING POLICY AND RESOLVING PUBLIC HOUSING NEED**

**MR WONG KWOK-HING** (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, "If I could have 10 thousand mansions, I would house all the world's poor people and make them beam with smile." These are not only the lines in a poem written more than a thousand years ago, but also the wish of each and every citizen of Hong Kong now, as well as a topic most often discussed in this Council over the past few years. However, while this issue has been discussed over and over again, and motions have been passed over and over again, and even though we now have a new-term Government and a new term of the Legislative Council, no breakthrough has been made in respect of housing, which is a key issue relating to the people's livelihood. The property bubble has been growing bigger and bigger following quantitative easing measures in the external markets, and it has expanded to a very dangerous level.

According to the paper provided by the Transport and Housing Bureau last week, overall property prices in Hong Kong have risen by 20% during the first nine months of 2012 over 2011, and comparing with the trough during the financial turmoil in 2008, the past four years have seen a hefty rise of 107% in property prices. In other words, property prices have doubled. For an ordinary member of the public or a wage earner, no matter how hard he worked and how much his employer has increased his salary during the past four years, his income can never be enough to catch up with a 100% rise in property prices. In view of this, if the Government still does not put forward specific and effective measures to address the problem, the housing policy will definitely become an arsenal of public grievances which will affect the Government's governance in the future.

The housing problem plaguing us today is not resulted overnight. As the saying goes, "it took more than one cold day to freeze three feet of ice". The problem is the result of the Government taking a wrong path for a whole decade. I hope that LEUNG Chun-ying's government can rectify the mistake. Today's housing problem started in 2002 when the former Government introduced "SUEN's nine strokes" to save the market without conducting consultation.

Added to this is the former Government's *laissez-faire* attitude in implementing the so-called "big market, small government" policy and giving up a correct and active housing policy. While some of those measures back then might have been taken to address the needs of the time, but as no adjustment was made in time after the economic conditions had stabilized, serious consequences thus arose. The biggest problem is the lack of a long-term strategy for housing development. As a result, there is no longer continuity and foresight in the housing policy, while public and private housing also fail to perform the functions of ensuring co-ordinated supply and regulating the market.

In fact, the last long-term housing strategy can be traced back to 1998. It was neither updated nor followed up during the decade up to 2007 as if it did not exist at all. It was only after the new-term Government took office a few months ago that this issue was mentioned again. This is why the first proposal in my motion suggested right at the outset that the Government should expeditiously formulate a long-term housing development strategy. It is necessary to devise plans, set objectives and provide a timetable and a roadmap, so that members of the public will know the future supply of public and private residential units, as well as the long-term housing policy and the strategy for development. This is critical. The sooner this strategy is formulated, the more the public can put their minds at ease. This is most important.

President, the "SUEN's nine strokes" back then put a halt to the regular land sale programme, replacing it with the developers-led Application List system. This is also a major cause of the problem that we face today. It is because when there is no flour for making bread, the residential flats in Hong Kong have become a carrier and a prime opportunity for speculation. In fact, according to analyses made in the press some time ago, during the term of the former Chief Executive, the Government sold only 67 residential sites with a total area of only 67 hectares, which was one third less than the previous Government. As for the supply of residential units in the private market, the past seven years saw a total production of only 84 000 flats, and in some of those years like 2008, 2009 and 2011, the volume of production was even less than 10 000 flats. With a low production volume and the supply falling short of the demand, the market cannot meet the needs of both local and overseas users. As a result, property prices have continued to be driven upward by speculation, reaching new peaks all

the time. The adverse consequences of high land price and high property prices have forced all Hong Kong people to work for the oligopolies of property developers and banks.

President, in view of the inadequate supply of private residential units, the Government can, in fact, plough in more resources to regulate the supply of housing. Indeed, during the two decades or so before 2002, a series of measures were implemented by the Government to help the public achieve better housing and living quality, such as the Home Ownership Scheme (HOS), Sandwich Class Housing Scheme, Tenants Purchase Scheme (TPS) and Home Starter Loan Scheme. This series of measures, which offered various options on the housing ladder to mitigate the housing problem, were proven effective after their implementation, helping Hong Kong citizens buy their own homes and also stabilizing property prices. Regrettably, after the introduction of "SUEN's nine strokes", all subsidized housing schemes were brought to a halt, and members of the public were completely deprived of a housing ladder for upward mobility. The only channel left is to enter the private market which is subject to speculation. This has resulted in this miserable situation that we face now where it is impossible for the grassroots, the sandwich class and professionals in the middle class to buy their own homes for better quality of living.

Expensive private residential units and the cessation of the production of HOS flats have driven many "shell-less snails" to apply for public rental housing (PRH), which is originally meant to provide housing for the grassroots at inexpensive rental. Particularly, a group of young people who do not have the means to buy their own homes can only apply for PRH. This is followed by controversies over cases of university students joining the queue for PRH before graduation, the requirement of a points system for singleton applicants, and so on. In fact, the Government's annual PRH production of 15 000 flats is primarily insufficient to fulfil its undertaking of a waiting time of three years for allocation of PRH. The Administration has dealt with the problem in a perfunctory manner by only emphasizing the procedures and the date used for calculation, evident in the continual rise in the number of applicants on the Waiting List for PRH. In 2008, there were only 111 000 applicants on the Waiting List but the number increased to 150 000 in 2011, and as at the end of June this year, the number of applicants on the Waiting List was even approaching 200 000 as it had increased



to 199 600. How can the Government's annual production of 15 000 PRH flats be sufficient to meet the needs of 200 000 households? How will the Government handle and tackle the problem of people who cannot buy their own homes turning back to the housing option for the grassroots?

Over the past few years, the former Government had all along failed to practically give a response as to how the problem should be resolved but repeatedly insisted on the adequacy of an annual production volume of 15 000 flats. After the new-term Government took over, the public have had high expectations of "CY". The Hong Kong Federation of Trade Unions (FTU) also has high expectations of him, and there have been calls on the Government to increase the production of PRH substantially. Will the new-term Government still cling to the outdated production target for PRH flats of the former Government?

President, many people have criticized that buying a property or buying their own home is a myth of Hong Kong people, saying that the option of rental housing is predominant in many overseas places. But reviewing "SUEN's nine strokes", we will see that one of the measures taken back then was the lifting of rent control. This explains why it is difficult not only to buy a property but also to rent a place to live in nowadays. It is because the landlord can increase the rent every year and regain possession of the flat by giving a month's notice once the landlord is slightly unhappy. The enhanced powers of the owners have indirectly caused the rent to rise while the tenants' right of tenancy is not given protection accordingly.

According to the rental indices of private residential units provided by the Rating and Valuation Department, the indices in August this year were already 5.2% higher than those in 1997, with an accumulated increase of 10% recorded during the year. This shows that while it is difficult to buy a property, renting a flat is equally miserable. Therefore, it is necessary for the Administration to review afresh the Landlord and Tenant (Consolidation) Ordinance.

President, I have made some proposals relating to land supply in the motion because if the Government does not have land (flour), it would be difficult to develop residential properties (bread). The Chief Executive said during the election campaign that housing can be provided to an additional 1 million Hong

Kong people if only 1% of the undeveloped land can be identified. However, the Development Bureau made contradictory remarks when providing information on the land reserve some time ago. Sometimes it said that there were 2 100 hectares of land but sometimes it said that there were actually only 390 hectares. The Government even said that without the development of the North East New Territories (NENT), there would not be land for housing development. These messages are confusing, making people feel at a loss and causing public panic.

Therefore, the Government must state clearly the volume of the existing land reserve, including the quantity of disposed sites that can be put to use immediately, the quantity of idle residential land lots, including those of the MTR Corporation Limited, the Urban Renewal Authority and the Government and the number of residential properties involved as well as their locations, the quantity of potential sites intended for development and the quantity of such sites in the land reserve, and for how many years of development they can sustain and how many people will then have their housing problem resolved. I think the Government has to give a full and clear account to the public of the supply and planning of residential sites in the future. Only in so doing can the Government be considered as candid and honest. This will also put the minds of the public at ease, preventing them from taking up this "red-hot torch" of the housing bubble out of panic or in haste.

Land supply aside, with regard to the general direction of the housing policy in Hong Kong, the FTU has, over the years, advocated a housing policy with the objectives of having PRH as the mainstay and HOS flats as secondary support, supplemented by the private market. We consider that this is the one and only direction for the local housing policy. This is why many proposals in my motion have put emphasis on these objectives. For instance, in respect of PRH, we call for an increase in the annual PRH production to 30 000 units to shorten the waiting time to two years. We also propose to allow the sandwich class to apply for PRH units subject to certain time limits, review the system for allocating PRH units to non-elderly one-person applicants as well as the overall policy on PRH allocation, and so on. The objective is to ensure that the supply of PRH units, which is most important in Hong Kong, can cater to the need to address the housing difficulties of the grassroots, and that it will become a target that the Government will take steps to achieve with priority before proceeding to

provide on this basis a "revolving door" for movement up the housing ladder, such as HOS, TPS, and more subsidized home ownership schemes.

To address the problem in the private sector, especially the rise in rental, I think the Government must adopt a target-specific approach, such as increasing the rent allowance under the Comprehensive Social Security Assistance Scheme to provide rent allowance to eligible households waiting for PRH, thereby alleviating the rent burden of the disadvantaged households in the lowest strata in society. In order to provide assistance to sandwich-class households and middle-class people, the Government should consider offering a tax allowance to eligible households or persons with no property for renting private residential units, in order to alleviate the difficulties that they are facing now. With regard to the proposals made in my motion, my colleagues will further discuss them and provide supplementary information later on.

I saw that Secretary Prof Anthony CHEUNG had tried sleeping in a "coffin-like compartment" days ago to experience the plight of the residents. I think the Secretary is sincere, but he must put in greater efforts and map out plans. I also see that Secretary Paul CHAN is in the Chamber. I hope that the two Secretaries will respond to my motion and put forward specific, long-term and comprehensive plans in their replies, in order to put the minds of Hong Kong people at ease.

**Mr WONG Kwok-hing moved the following motion: (Translation)**

"That the Chief Executive pointed out during his election campaign that 'housing tops the list of livelihood issues that are of public concern; it is also the bedrock of a stable society'; yet, since the new-term Government has taken office, property prices and rents in Hong Kong have been rising rather than declining, making it more difficult for people to acquire homes; besides, as the quantitative easing measures implemented by many countries have led to a huge influx of hot money, property prices in Hong Kong may become further out of tune with people's incomes, making the housing problem more severe; in this connection, this Council urges the Government to expeditiously put forward effective measures focusing on planning for immediate, medium-term and long-term demands, so as to address people's housing needs; the relevant measures should include:

- (a) to expeditiously formulate and announce Hong Kong's long-term housing development strategy and the implementation timetable, so as to let members of the public know the future supply of public and private residential units and put their minds at ease;
- (b) to examine the Government's existing land reserve, including the overall reserve of potential sites and disposed sites, and to expeditiously undertake planning for the construction of public and subsidized housing on lands suitable for residential purposes, with a view to increasing housing supply;
- (c) to explain to members of the public the land use status of the idle residential land lots in the land reserve, including those of the MTR Corporation Limited, the Urban Renewal Authority and the Government, and the relevant reasons, and to immediately launch long-term planning for the supply of residential land;
- (d) to expeditiously inform members of the public of the policy details, implementation particulars, arrangements and implementation timetable relating to 'Hong Kong property for Hong Kong residents';
- (e) to increase the annual public rental housing ('PRH') production to 30 000 units or more for accelerating the time for allocating units to the existing applicants on the Waiting List to two years, so as to meet grass-root people's demand for PRH;
- (f) to expedite the construction of youth hostel units for diverting the large number of young people currently waiting for PRH, and at the same time to review the Quota and Points System for non-elderly one-person applicants, so as to assist singletons with genuine housing difficulties in getting PRH allocation;
- (g) to introduce sandwich-class PRH units to enable those households and persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure;

- (h) to review the allocation and eligibility criteria of PRH to encourage young family members to live with their elderly family members and to provide care for them;
- (i) to offer rent allowance to low-income persons, including expeditiously reviewing and increasing the rent allowance under the Comprehensive Social Security Assistance Scheme, providing rent allowance to eligible households waiting for PRH and offering a tax allowance to eligible households with no property for renting private residential units;
- (j) to study and introduce more measures to assist people in acquiring their homes, including enhancing the former Home Starter Loan Scheme and the Tenants Purchase Scheme, so as to enable more members of the public to acquire their own homes; and
- (k) to closely monitor the impacts of the economic environment and external factors, and introduce more adjustment measures whenever the hot money flows in and the property prices continue to rise, including increasing the effectiveness of the special stamp duty and revising the loan-to-value ratio for non-owner-occupied units, so as to avoid the formation of a property bubble."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr WONG Kwok-hing be passed.

**PRESIDENT** (in Cantonese): Seven Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the seven amendments.

**PRESIDENT** (in Cantonese): I will first call upon Mr LEE Cheuk-yan to speak, to be followed by Mr LEUNG Che-cheung, Mr Gary FAN, Mr Michael TIEN, Ir Dr LO Wai-kwok, Mr James TIEN and Dr KWOK Ka-ki respectively; but they may not move the amendments at this stage.

**MR LEE CHEUK-YAN** (in Cantonese): President, housing is definitely a livelihood issue of the utmost concern to the people of Hong Kong. It is also an area in which Hong Kong's overall land resources are distributed most unfairly. This is why, just as many people have said, many property developers have actually become so fat that they cannot even pull up their socks but at the same time, many people still have to live in "sub-divided units", and many Hong Kong people who returned to Hong Kong because they were out of job in the Mainland have to sleep on the streets. Why has Hong Kong come to such a sorry state?

Chief Executive LEUNG Chun-ying certainly did mention tackling the housing problem in Hong Kong during the election campaign. Who would have expected that after he was elected, we have seen property prices rising even more drastically, while the Government seems to be at a loss, not knowing what to do. Of course, the Government has recently introduced the special stamp duty (SSD), and it remains to be seen as to whether it can curb the soaring property prices. However, we can see that since LEUNG Chun-ying's government took office, no new counter-measure has been introduced. Secretary Prof Anthony CHEUNG has said in the Legislative Council that the Government is formulating a long-term housing strategy. We certainly welcome the formulation of a long-term housing strategy by the Administration, but the Government will conduct public consultation on long-term housing strategy only in 2013. What strategy will there be after the completion of public consultation? We will find out only at that time. The Government may say that it is impossible to make decisions on everything concerning the long-term strategy in one go, for it is necessary to carefully look into how the problems should be resolved. But the Secretary must admit one point — he has handled the housing issue for a long time — the entire housing policy is actually fraught with problems. There are now 200 000 applicants on the Waiting List for public rental housing (PRH), of whom some are household applicants and some are singletons. Many people who have not been allocated PRH units must face a rent increase every year, and this is hardly affordable to them. Property prices have now been driven upward by speculation to a level beyond the affordability of the ordinary people. In view of these circumstances, the Government is still telling us to wait patiently, and that we have to wait until the long-term housing strategy is completed before solutions to such problems as "sub-divided units", waiting time for PRH, high rental, high property prices, and so on, can be identified. Why does it have to be like this?

Is the Secretary using the long-term housing strategy as a pretext in an attempt to stall on measures for solving some, if not all, of the housing problems immediately and in a timely manner? Is the Secretary using the long-term strategy to stall on short-term measures? In fact, is the Government making use of the long-term housing strategy ..... hiding like a tortoise in the shell of the long-term housing strategy, in a bid to stall on measures that can be implemented immediately? One of such measures can clearly be implemented by you immediately, Secretary. Why can you not clearly announce to the public an immediate increase in the annual production of PRH units? You are still talking about 15 000 PRH units. Some time ago when you came to the Panel on Housing of the Legislative Council, you still said that the former Government's annual PRH production was 15 000 flats and that the target of the current-term Government would remain to be 15 000 flats. We all know that if the production of 15 000 units remains unchanged and if the volume of production is not increased, the waiting time of three years ..... I mean with regard to the target of an average waiting time of three years, many people think that this is kind of a lie, as many have to wait for five to six years. But even if it is true that the average waiting time is three years, why can it not be shortened? Everyone knows that the only way to shorten the waiting time is to increase supply. This logic cannot be clearer. We do not need a long-term housing strategy to understand it. I believe you understand it, too. But why are you not willing to do it?

We feel utterly disappointed because even though the most fundamental solution to the problem is to increase the production of PRH units, the Secretary is unwilling to do it and worse still, he has even accused the Legislative Council Panel on Housing of rejecting the Administration's policy to allow white form applicants to purchase HOS flats in the HOS secondary market without payment of premium, saying that we are holding them up. Why should we hold them up? Because we have seen that property prices in the HOS secondary market have suddenly surged by 30% to 50%, and despite the introduction of the premium waiver in the secondary market, an increase of 30% to 50% in the prices of HOS flats is still unaffordable to the public, so what is the use of this measure? We call on the Government to shelve this policy, but it does not mean that we reject the Government's plan to increase the supply of HOS flats. We very much support the resumption of the production of HOS flats. The Government has also announced the resumption of the HOS, but it will take four to five years before we can see the results. Apart from introducing the premium waiver in the

HOS secondary market, is there any other measure that can prevent prices of HOS flats from being driven up by 30% to 50% due to speculation? Is there any other measure that can ensure that property prices will not remain unaffordable to the public after implementing the measure? These questions do warrant our discussion. We have only asked the Government to shelve this measure for the time being, to conduct a review, and to come up with a better measure before introducing it in the market. Why do they even refuse to hold discussions?

We are keen to press for the production of more PRH units, but you do not see any urgency and insist on 15 000 flats. Meanwhile, we are concerned about the spiralling property prices and the surging prices of HOS flats and yet, you said that it is most pressing to introduce a premium waiver in the HOS secondary market. The decision on what is the most pressing task all rests with you. We hope that you will consider it most pressing to increase the provision of PRH units.

President, my amendment mainly consists of two parts. The first part is the position of the Labour Party. Our position is clear and that is, we propose to reinstate rent control.

The swing of the pendulum is actually going to the extreme now, with the owners having all the say in the free market. As we all know, all tenancy agreements are signed on fixed terms for one year and flexible terms for the following year, meaning that the rent can be increased at the expiry of the one-year fixed term period. When rent is increased at the expiry of this one-year period, it is often increased at a rate of 30% or 50% or even 100%. In that case, what can the tenants do? Tenants have two choices. They can either pay a higher rental or move out. In the latter case, the tenants have to pay a lot for the removal costs, but if they accept the rent increase, they can hardly afford it. The only way is ..... Many people have, therefore, decided to move out. They move once a year. They move from a bigger flat to a smaller one and from a flat near downtown to one located farther away. They have thus become a group of tenants who are like nomads. These tenants may not necessarily come from the grassroots. They may be middle-class, and their situation is just the same. In short, when you do not have the means to buy a property and if you rent a place to live in, you will become a nomad. This will also constitute pressure on these people, forcing them to buy a property because no one would wish to become a nomad every year.



If the Government does not resolve this problem, this group of tenants will continue to live like nomads. Then, there comes the problem of "sub-divided units", as the rent of "sub-divided units" will become exorbitantly high. Sub-division of a flat ..... Secretary Paul CHAN certainly knows best how many units can be made available for lease by sub-dividing a flat and how much more rental can be received. At the end of the day, tenants of these sub-divided units are paying rent which is even more expensive than that for a luxurious residential flat. The result is that the rent per square foot payable by tenants of sub-divided units is even higher than that for a luxurious residential flat, but they are the most impoverished group of people. Is this fair to them?

This is why we have called on the Government to reinstate rent control. Rent control should include three important restrictions. First, the term of the lease. Rental should not be increased every year, and there should be stability of the rent, say, for a term of three years. Second, there must be restrictions on the rate of rent increase. There used to be this restriction when rent control was in force, as the rate of increase was then capped at a level not exceeding 30% of the original rent or the new rent should not exceed 90% of the market rent. It is necessary to impose restrictions in this respect. Third, apart from the term of the lease and the rental, it must also be stipulated that owners can regain possession of their leased units only for self-occupation. These control measures can balance the rights of tenants and those of owners.

Certainly, some people may ask: What if the tenants turn out to be "rogue tenants"? In fact, if that happens, owners can recover the rent through summary proceedings. If owners cannot recover the rent and if the tenants have really defaulted on rent payment, stipulations can be made to the effect that the tenants will no longer be covered by the protection of rent control. This can ensure that the owners can receive the rent. However, what we must protect is ..... Generally speaking, most tenants will pay the rent, and all that they wish is stability. Why can we not reinstate rent control?

The second point of my amendment concerns "sub-divided units". At present, tenants of sub-divided units do not enjoy protection of rehousing. The Buildings Department will seize a flat when it is found to have safety hazards or substandard fire safety facilities, but the tenants of sub-divided units do not enjoy protection of rehousing, and they are not allocated PRH units. If no PRH units can be allocated to them, they will have to rent another sub-divided unit. Why

can you not provide rehousing for them? In fact, there is an advantage in rehousing them, as they will then have the incentive to report sub-divided units with substandard fire safety facilities, and this can facilitate law enforcement.

In this connection, another proposal that we have made is to protect the right of tenants of sub-divided units to rehousing by allocation of PRH units. We hope that this will provide Hong Kong people with a safety net in housing, and only in this way can the existing housing problems be resolved.

Thank you, President.

**MR LEUNG CHE-CHEUNG** (in Cantonese): President, the housing policy is not only the most important priority of Government of the Hong Kong Special Administrative Region (SAR), but also a key topic of debate in the last term of the Legislative Council, and I think it will continue to be so in the current term. This motion today is "Perfecting housing policy and resolving public housing need". With regard to this objective, I believe colleagues of the Legislative Council will all support it. But the question is that different groups of people in society have different demands for housing. What approaches, measures or policies should the Government adopt to achieve the objective of "resolving public housing need"?

In fact, the original motion of Mr WONG Kwok-hing has put forward many proposals which are all quite similar to the positions of the proposals made by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) before. They include formulating a long-term housing strategy, increasing the provision of PRH, expediting the development of youth hostels, providing a rent allowance for households on the Waiting List, and relaunching the Tenants Purchase Scheme (TPS). The DAB supports these proposals, and we think we can provide further information on them.

First of all, the DAB fully agrees to the formulation of a long-term housing strategy. However, the crux of the housing problem in Hong Kong lies in the imbalance between supply and demand, the cause of which can be traced back to the shortage of land supply. For this reason, it is certainly important to utilize the existing land reserve effectively, but there are not many sites in the existing

reserve that can be used for large-scale housing development. In view of this, the DAB considers that apart from optimizing the use of the existing land reserve, it is all the more necessary to continuously increase the land reserve, particularly by implementing those land development plans of which the consultation procedures have been completed, such as the North East New Territories New Development Area and Kai Tak New Development Area. Otherwise, even if more and better housing proposals can be put forward, they would only turn out to be unaccomplishable as bricks cannot be made without straw.

Home ownership is a lifelong goal to many members of the public. The Government has implemented a number of measures to help the public achieve home ownership, such as the Home Starter Loan Scheme and the TPS mentioned in the original motion, providing choices to various social strata or groups. But since the original motion proposes that the Government should introduce "more" measures to assist people in acquiring their homes, the Administration may as well include the past Sandwich Class Housing Scheme in its studies, so that people in the sandwiched middle class who are not eligible for the new HOS but cannot afford private housing can climb the ladder to home ownership. Besides, while the new HOS has been made a key housing policy of the Government with a target of providing 5 000 flats annually, there is indeed a need for the scheme to be expedited and the production volume increased in view of the intense demand for housing at present.

Lastly, the problems of cubicle apartments and "sub-divided units" have aroused extensive public concern, but as a lower standard was adopted in the allocation of PRH in the past, there are still many "overcrowded households" living in PRH units, with an average living space of less than 5.5 sq ft for each person, and the toilet in some of these units is so small that a person cannot even turn around inside it. Therefore, the DAB considers that from the angle of perfecting the housing policy, the improvement of the living environment of exiting PRH tenants, especially the "overcrowded households", should be incorporated into the housing policy.

President, although the DAB generally supports the directions and proposals suggested in the original motion, there are two points which, we think, are open to question. First, the DAB supports that the provision of public housing should be increased, but the second proposal in the original motion only

mentions "public and subsidized housing" and there is completely no mention of private residential flats. We are concerned that under this proposal, less and less sites for private housing development will be made available for disposal, and the Government's ability to "proactively" stabilize property prices through land supply will be greatly undermined. This will not be conducive to stabilizing the property market and to the overall supply of residential flats.

Moreover, the former Government undertook in 2010 to make available sites for developing 20 000 private residential flats in each of the following 10 years. Insofar as this target of land supply is concerned, given the shortage of Government land, the target of providing 20 000 flats can be met only by adding up flats to be provided by redevelopment projects of the Urban Renewal Authority, property development projects above the stations of the MTR Corporation Limited, and lease modifications of private land. If the supply of land for private residential development by the Government were further reduced as proposed in the original motion, this "post-dated cheque" on land supply of the Government would unlikely be honoured every year.

In recent years, rentals have risen in tandem with increases in property prices. The burden on people who rent their homes has become heavier and heavier year after year. It is indeed necessary for the Administration to lend them a helping hand. Similar to a proposal made in the original motion, the DAB has proposed a tax allowance for rent payment to relieve taxpayers, especially the middle-class people, of the pressure of rent. However, the original motion only proposes to offer a tax allowance to households, and the DAB considers this inappropriate because in reality, it is very common for the people to rent private residential flats on their own or jointly with friends, and as the citizens file their tax return on a personal basis, the offer of a tax allowance only to households is unfair to singleton or non-household tenants. Furthermore, a tax allowance is not a welfare measure and it is inappropriate to apply the principle of according priority to households. Rather, it should be provided in a way like other tax allowances, such as those for raising children and supporting dependent parents, pursuing further studies, home loan interest, charity donations, and so on, in order for it to benefit all taxpayers.

President, housing is a hot topic for discussion and this explains why colleagues have particularly proposed so many amendments. Next, I will briefly explain the DAB's views on the amendments. The DAB supports Mr LEE's

proposals of cracking down on units which pose immediate hazards and properly rehousing the tenants. But with regard to the proposal of reinstating rent control, we consider it necessary to think twice, because rent control will affect the free operation of the rental market. It may create deterrence on owners who wish to let out their flats, resulting in a reduction in the number of flats available for lease. Given an inadequate supply of flats for lease, the rental is likely to rise instead of coming down. Most importantly, there has not been in-depth discussion in society on reinstating rent control and no consensus has yet been forged. It is indeed inappropriate to reinstate it hastily.

As for Mr Gary FAN's amendment which proposes to abolish the Quota and Points System for non-elderly one-person applicants, we consider that there are some problems with it. First, PRH is an important welfare policy and it should give priority to the needs of families and the elderly. There are currently as many as 88 300 non-elderly one-person applicants on the Waiting List, who almost account for half of all the waitlisted applicants. If the quota system is abolished hastily, the waiting time of household and elderly applicants will definitely be extended substantially. Besides, abolishing the points system will mean that student applicants who now live in PRH and do not have to pay any rent will stand the same chance of being allocated PRH units as those middle-age people living in "coffin-like compartments" and paying rent equivalent to the rent per square foot of luxurious residential flats. If these students submit their applications in advance, they may probably be allocated PRH even earlier, which is unfair.

Lastly, although the DAB does not oppose the new additions proposed in the amendments of Mr Michael TIEN and Ir Dr LO Wai-kwok, as both amendments seek to delete the proposals relating to a rent allowance and tax allowance for rent payment in item (i) of the original motion, which is contrary to the proposals of the DAB, we, therefore, will not support them.

President, I so submit. Thank you.

**MR GARY FAN** (in Cantonese): President, the former Government's *laissez-faire* attitude towards the housing market brought about today's scenario of property prices spiralling and running out of control. Increasing the provision of PRH units and resuming the production of HOS flats have been the broad

consensus reached among members of the public and various political parties and groupings in this Council. But the former Government had kept on procrastinating and took steps to rectify its mistakes by undertaking to resume HOS only when it was about to retire.

The new Chief Executive, LEUNG Chun-ying, has always told Hong Kong people that housing is the most important task of the current-term SAR Government. But ironically, while LEUNG Chun-ying has taken office for less than two months, property prices have been escalating. The index of property price movements was 105.46 on 1 July when the Chief Executive took office but rose to 114.35 on 28 October. Despite such measures as the SSD introduced by the Government, the situation of property prices soaring frantically has yet to be effectively arrested.

President, I proposed an amendment to the original motion today in the hope that the Government will abolish the points system for non-elderly one-person applicants for PRH which has been adopted since 2005.

As Members will recall, there were movements to save the Star Ferry Pier and the Queen's Pier as well as the Express Rail Link incident in 2008 and 2009. Many young people who are the "Post 80s" had taken part in these social movements. Refusing to admit that it was due to problems with the Government's governance, many conservative members of the community in Hong Kong simplified and even belittled young people's participation in these social movements as indication of the housing problem faced by the young people or the problem of property prices in Hong Kong. Even if this interpretation and logic can hold water, the Government has failed to properly address the housing problem of our young people. A more controversial issue is the points system for non-elderly one-person applicants for PRH, over which I have expressed concern today.

President, in the first paragraph of Article 11 of the United Nations International Covenant on Economic, Social and Cultural Rights (ICESC), it is pointed out that "The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.". This shows that the right to housing is a basic human right that must be protected. The fundamental spirit affirms that everyone has the right to

live in a certain place safely, peacefully and with dignity. In this connection, we consider that PRH is absolutely not welfare, but a necessity in society and a basic right of all individuals. It is an obligation of the Government to introduce long-term policies to address the housing needs of the public, especially the young people.

President, the characteristic of the Quota and Points System is that the priority of PRH allocation to these applicants is determined according to their score. However, non-elderly one-person applicants are excluded from the Government's undertaking of a waiting time of three years for allocation of PRH.

Take the latest Public Rental Housing Allocation Plan 2012-2013 as an example. A quota of 1 690 flats will be provided in the coming year. Meanwhile, as at the end of March (2012), there were 87 800 non-elderly one-person applicants on the Waiting List for PRH. If we do some calculations, we will find out that young people who wish to apply for PRH units for non-elderly singletons will have to wait for 52 years before they can be allocated PRH units. I think these non-elderly one-person applicants will turn into elderly applicants even before PRH units are allocated to them.

This shows that the Government has only adopted stalling tactics in the face of the housing needs of these young people in Hong Kong. Under the current policy, the right of young people to housing is denied the most basic protection under the PRH policy, and they can only choose to rent "sub-divided units".

Some people have pointed out from time to time that application for PRH units should not be a goal of young people. They even consider it a waste of government resources for young people to apply for PRH. But as stated in the ICESC that I have just cited, housing is a basic right. Young people should not be made to bear the responsibility of a long waiting time for PRH alone.

President, I do not intend to comment on whether or not it is a waste of government resources for young people to apply for PRH in this debate. However, I wish to emphasize that an objective result of this points system is that conflicts are created between young people and other PRH applicants. From the views of the DAB put forward by Mr LEUNG just now, we can see clearly that

the Government has put young people in an opposing position against other PRH applicants. But what has really caused these conflicts among the people is indeed the Government's short-sighted housing policy and the real estate hegemony that has turned a blind eye to the housing needs of Hong Kong people.

President, the Government is planning the development of youth hostels to meet the housing needs of some young people. But the operation of these hostels is sometimes hamstrung by the background of the operators, and additional restrictions may be imposed on the inmates. In this connection, in order to solve the problem at root, we consider that the Government should increase the provision of PRH units.

Turning back to the root of the problem, I think that in order to address public housing needs, especially the needs of young people, the Government should not impose restrictions on the housing needs of the public and young people, and it should not adopt stalling tactics. We must bear in mind that the right of young people to applying for PRH is restricted. The Government should abolish the Quota and Points System for non-elderly one-person applicants.

President, I so submit.

**MR MICHAEL TIEN** (in Cantonese): President, the housing problem has all along plagued Hong Kong. After the SARS, the private property market has been heating up continuously. The Government of the last term knew only to uphold the "positive non-intervention" policy and particularly, property prices in recent years have been running wild like an unbridled horse, having risen at a rate far higher than the actual economic growth, not to mention the colossal, unbridgeable gap between the pay rise of ordinary members of the public and the increase in property prices.

It is difficult to be allocated public rental housing (PRH) units, and this is a major problem. Middle-class people selling their flats and buying new ones is another major problem. For people who do not own any residential property or who are not allocated PRH units, it is very difficult for them to live in peace and work in contentment and as a result, grievances have been building up in society. The price gap between private residential flats and Home Ownership Scheme



(HOS) flats has been ever widening. There is no way for residents in HOS flats and PRH units to move upward, and there is obviously a structural problem.

With regard to the private market, efforts should be made to curb speculation but the strength of the measures must be appropriate to ensure that the property market absolutely cannot be pulled down. It is necessary for the Government to curb the irrational surge in property prices through taxation arrangements and fiscal means. The original motion and the amendments today have put forward a diversity of measures and proposals in an attempt to perfect the housing policy. I would like to respond to them one by one.

"Hong Kong property for Hong Kong residents" is, I think, a correct policy, but the objective must be clear. The policy of "Hong Kong property for Hong Kong residents" aims to assist Hong Kong people to acquire homes, and the Government should expeditiously announce the details of this policy. Most importantly, provisions relating to first-time home acquisition should be added for some of these units, in order to assist people who truly wish to achieve home ownership to buy their first home. Otherwise, this would only bar the entry of foreigners into the market while Hong Kong people could continue to engage in speculation. This will not be helpful to people truly aspiring to home ownership.

In respect of sandwich-class PRH units, the proposal of providing sandwich-class PRH units, though well-intentioned, is not in line with the reality and is outdated, and a more fundamental problem with it is that it confuses the priorities in the distribution of land resources. The average waiting time for PRH is said to be three years now but this has not yet been achieved so far. When we are here fighting for the shortening of the average waiting time to two years, this proposal will require a massive input of land and public coffers, which will be extremely challenging. Even if the Government can really allocate more land resources to shortening the average waiting time to two years, some applicants, especially young singleton applicants, will still need to wait for five to six years before they can be allocated PRH units.

The objective of the policy to provide PRH units is to utilize public resources to provide assistance to the most needy group of people. Presently, the supply of PRH units already fails to address the housing needs of the people, so if land resources are further diverted to helping people with better financial

capability, I would think that this is out of tune with the priorities. But if, one day, the Government can generally satisfy the demand for PRH in society with a waiting time of not more than three years at most, I would then support the injection of resources for the development of sandwich-class PRH units.

Next, I would like to talk about the rent allowance. The New People's Party has conducted internal discussions on this issue in depth. Intuitively, we may think that a rent allowance is similar to the transport subsidy in nature in that both are meant to provide assistance to low-income earners among the grassroots and so, it seems to be fair and reasonable to grant this allowance. But after giving further thoughts to it, we found that there is a big difference between them.

In respect of the transport subsidy, when public transport operators adjust their fares, they need to take into consideration the affordability of many other stakeholders. Even though only a small number of people will receive the subsidy, the operators will not recklessly and arbitrarily increase their fares. In comparison, each owner faces just one tenant. It is easy to find out about the tenant's financial conditions and affordability, and also whether or not the tenant receives a rent allowance. As a result, the owner will increase the rent by exactly the amount of allowance received by the tenant.

In fact, the provision of a rent allowance does not help the tenants of cubicle apartments. As far as I understand it, it is often the case that the rent of cubicle apartments is basically pitched at the level of the rent allowance under the Comprehensive Social Security Assistance (CSSA) Scheme, and the owner will increase the rent by exactly how much the CSSA payment is increased. Therefore, if a rent allowance is provided by the Government, the owner will increase the rent by exactly how much is granted by the Government for the rent allowance. This will actually fatten the owners, and directly channel public money into their pockets. We do not see how this can be of any help to the tenants.

Now I wish to turn to rent control. We have discussed this issue in depth in our Party, and I had a very heated argument with my colleagues. In fact, we can look at it in two ways. One is partial control, and the other is full control.

With regard to partial rent control, we have considered whether it is possible to impose rent control on units charging a rent below a certain level or of a size smaller than a certain area. I have rung up some grass-roots organizations

to discuss this with them. Among them, the Society for Community Organization said to me that this must never been done, for this would be doing a disservice out of good intentions. For example, if rent control is imposed on a "sub-divided unit" or a cubicle apartment of 150 sq ft but not on units that are larger than this size, what the owners will do is very simple and that is, they will carry out conversion works at their flats, so that all the units will measure 155 sq ft. It means that not even those flats will be available in the market, and tenants will be forced to rent a bigger unit and pay a higher rent.

If control is imposed by drawing a line on the rent, it will also distort the market very easily. Owners will then increase the rent to an amount just exceeds the prescribed level, and tenants will eventually be made to pay a higher rent all the same. Of course, many people may say that this is a free market and so, it is impossible that the tenant must agree to pay the increased rental, however much the owner has demanded. But as we all know, many grass-roots people live in flats in the urban area because it is convenient to go to work and in order to be near to the community. They actually do not have many choices. If there is such distortion by the owners, it would eventually be a bad thing done with a good intention. As a result, the tenants will have to pay expensive rentals, and they have to cut their spending on food and clothing. So, when it comes to whether or not there can be more intervention by the Government, I think this measure actually amounts to excessive intervention.

Lastly, I wish to talk about the proposal of relaxing the asset limits for HOS applicants. This proposal aims to enable more people to become eligible for HOS housing. If the supply of HOS flats remains the same, this proposal will actually reduce the chance of their lots being drawn. What does it mean then? It basically cannot help people who have a genuine need to apply for HOS flats. I personally think that the social norms nowadays are very much different from those when I was small. Many people now think that their destiny is controlled by sheer luck, and that they will lead a comfortable life as long as they can succeed in applying for a HOS flat. Otherwise, they would be like making no achievement in their life. If we allow more people to apply for HOS flats, the chance of their lots being drawn will be further reduced. The values of Hong Kong like the more you work, the more you get, and striving for self-reliance, have been eroded by a culture of drawing lots. I personally feel more and more infuriated by these social norms today and I feel all the more helpless about them. Therefore, I greatly loathe to see any measure which will

foster this thinking of the young people that their destiny is not in their own hands but entirely determined by sheer luck. This is extremely not conducive to the long-term development of Hong Kong.

Considering the several proposals mentioned and for the positions that stated by me just now, unfortunately, I think I cannot support the original motion and all the other amendments. I have, therefore, proposed my amendment.

I so submit. Thank you.

**IR DR LO WAI-KWOK** (in Cantonese): President, "perfecting housing policy and resolving public housing need", as in the title of the original motion, is indeed a major social issue that members of the general public are concerned about and the Government of the Hong Kong Special Administrative Region (SAR) is duty-bound to address. In this connection, the current-term Government has made attempts and efforts in various aspects, including an announcement made in August on the introduction of 10 measures in the short, medium and long terms involving housing and land supply, which are referred to as "LEUNG's 10 strokes" by the media.

The Government has also made another announcement recently. In the light of changes in the external economic conditions and in particular, the new developments following the introduction of QE3 (a third round of Quantitative Easing) by the United States, which accelerated the hot money floods and flows into all parts of the world, the Government announced the levying of a 15% additional Buyer's Stamp Duty (BSD) on non-local buyers to increase non-local buyers' property purchase costs, in order to curb the intense speculation. While its effectiveness remains to be further observed, this SSD targeting non-local buyers is believed to have created an effect similar to the "Hong Kong property for Hong Kong residents" policy.

Having said that, what exactly are the measures included in the "Hong Kong property for Hong Kong residents" policy? Are these measures feasible, and how extensive will their impact be? The Administration should carefully consider these questions and give explanations to the public as soon as possible.

President, a responsible government absolutely should not adopt a stop-gap approach of "treating the head when the head aches and treating the foot when the foot hurts" in handling the housing policy, which is a major social issue involving interests of various strata in society. Nor should it adopt a broad-brush approach. Rather, it should make comprehensive consideration and planning. It must have clear policy directions and objectives, and it must target the demands of various social groups, in order to prescribe the right cure to the problem. Even though the BSD may slightly suppress speculation in the property market, this effect will only be quite short-lived, addressing the symptoms rather than the root of the problem. To resolve Hong Kong's housing problem at root in the long term, the Government must start by increasing the supply. In order to increase the production of housing, land supply is most essential in the long term.

Whenever we talk about the Government taking the lead and intervening in the market to increase housing supply, it will easily evoke the unhappy and even painful memories of some people. Immediately after the reunification, the then SAR Government rolled out in October 1997 the "85 000" housing plan, stating that no less than 85 000 public and private residential units would be provided annually. It was even said that 70% of all households in Hong Kong would have acquired their own homes in a decade's time. Added to this was that the production of public rental housing (PRH) would be increased substantially to shorten the waiting time. These were all considered benevolent policies at the time. But much to our regret, the implementation of these policies happened to run into the Asian financial turmoil. Various external and internal factors caused property prices to plummet. Some private residential properties had depreciated by as much as 70% in value in the following five years. As a result, many property owners in the middle class were caught in plights as their properties became negative equity assets. According to the information of the Hong Kong Monetary Authority, the negative equity asset problem was most serious in Hong Kong in the months before and after June 2003. Residential mortgage loans in negative equity rose to about 106 000 cases in the entire banking sector, involving HK\$165 billion, and the value of the unsecured portion of these loans was estimated to be around HK\$36 billion. The huge default risk jeopardized the stability of the banking system in Hong Kong. Some owners of negative equity assets who faced difficulties even committed suicide by burning charcoal. While these were all in the past and things have changed, I believe many people still shudder at the thought of the ordeal that they had gone through

as owners of negative equity assets. The past experiences have told us that the Government's policies and measures always lag behind the trends and this is why, unfortunately, it has done disservices though with good intentions all the time. There are at present some 1.2 million property owners in Hong Kong. Any housing policy implemented by the SAR Government may create a significant impact on the supply of housing in Hong Kong. Careful and comprehensive consideration is, therefore, warranted.

President, I have brought up the past bitter lesson again not to call on the Government to refrain from intervening in the market, but only to point out that the Government, in handling the housing issue, cannot take forward measures hastily. It should pool public resources together to provide assistance to people who have a pressing housing need but are restricted by their own financial conditions. It should administer different cures specific to different situations.

First, I support that the production of PRH units should be increased, in order to gradually shorten the waiting time to two years for family applicants and non-elderly one-person applicants over the age of 35, thereby meeting the needs of the grassroots for PRH.

Second, I think the development of youth hostel units should be expedited, so that a large number of young people currently on the PRH Waiting List can be diverted to these units. These youth hostel units should be provided on a rental basis to needy young people, so as to help them save money for home purchase. Certainly, a rental period should be specified for such units to increase their turnover.

Third, the Government should consider further relaxing the income and asset limits for Home Ownership Scheme (HOS) applicants, in order to benefit more people by making them eligible for purchase of HOS flats, thereby resolving their housing problem. Of course, a prerequisite of this proposal is to increase the production of HOS flats.

President, if look around places all over the world, we will find that there is no "across-the-board" or "once-and-for-all" solution to the housing problem. In this debate today, the original motion and the other amendments have in one way or another put forward some suggestions or proposals. I think these suggestions or proposals are neither practicable nor appropriate for implementation judging

from the actual conditions in Hong Kong. For this reason, I do not feel at ease about giving my support to them and I have, therefore, proposed my amendment.

My amendment seeks to urge the Government to keep a close watch on the local economic conditions and the effects of external factors as well as the impacts of the two stamp duty measures introduced earlier on employment, the market situation and the supply of housing, and to adjust the strength of its efforts in suppressing the property market having regard to the circumstances, so as to avoid repeating the past mistake of the policy of "85 000 units". Meanwhile, the Government should formulate long-term and sustainable land and housing plans to address public housing needs, so that members of the public can live in peace and work in contentment in Hong Kong, a place they call home.

President, I so submit.

**MR JAMES TIEN** (in Cantonese): President, the motion proposed by Mr WONG Kwok-hing today is about perfecting housing policy and resolving public housing need, but my amendment actually has not made any changes to the views and the details espoused by him. I only think that the housing shortage in Hong Kong is, as also mentioned by Ir Dr LO Wai-ki just now, attributed to insufficient land supply. For this reason, the most important part of my amendment is actually the addition of this paragraph before point (a) of the original motion: "To properly build an overall land reserve and launch long-term land supply planning, so as to meet Hong Kong's short-, medium- and long-term demand for land; in the short term, to further streamline land grant procedures, promptly release idle land lots and allow the direct conversion of industrial buildings into residential buildings after paying land premiums, etc.; and in the medium term and long term, to expedite the identification of land lots for building new development areas, optimize the use of rock caverns to vacate more land for residential development, and carry out reclamation on an appropriate scale at suitable sites outside the Victoria Harbour, etc." This is actually the most central part of my amendment.

We think that Hong Kong is different from other places. The Middle East has oil for export, and Australia may have rich mineral resources. But other than a land area of some 1 000 sq km and a population of over 7 million, Hong Kong has nothing else. People and land are our most important resources.

To achieve balanced development, I think land development is necessary in six major areas, not just limited to public rental housing (PRH) or Home Ownership Scheme (HOS). I think land development is necessary in Hong Kong now and by development, it means providing housing to the people and also providing jobs to them. In respect of housing, there should be PRH, HOS, and "Hong Kong property for Hong Kong residents"; and with regard to business operation, there should be shopping arcades, offices and hotels. These six areas all require a huge supply of land. I have noticed that under the governance of the SAR Government over the past few years, land has been insufficient in these six areas.

We can see that the rent in shopping arcades has increased very drastically, and this also boils down to the question of supply and demand. The rent of offices has also risen by very great margins. Expensive rental has made many foreign investors consider relocating to other cities in Southeast Asia or in the Mainland. In respect of hotels, I, as Chairman of the Hong Kong Tourism Board, can see the picture all the more clearly. On the one hand, perhaps there is an increase in the number of visitors, and on the other, the number of hotel rooms has increased by 5 000 from 65 000 to 70 000 over the last two years, which are grossly inadequate when compared to the growth in the number of tourists.

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

On the one hand, we have to take care of the housing demands of the people. On the other hand, we have to take care of the demands for land for future economic development. Therefore, we think that the Government should identify more land by all means. But in the nearer term, I think there are a few things that we can do. Firstly, with regard to the land auctioned by the Government over the past few years, in the course of development — just ask any property developer, architect or surveyor — the process for vetting the building plans was very slow. I would say that colleagues in the relevant departments had guarded the gates very stringently. They were so stringent that they would point out only two months later that there were problems with a plan and require the plan to be submitted again but then, it was also said to have problems two months later. They just would not point out all the problems in one go and so,



these procedures of exchanges and correspondence were repeated over and over again. Therefore, the housing units could never be completed, just as flour can never be made into bread by analogy. The result is that the flats available for sale in the market have been greatly reduced. I think the Government can make improvement in this respect.

Certainly, we have noticed that in respect of the pre-sale of uncompleted flats, the Government has done something to greatly expedite the granting of approval for the pre-sale of uncompleted flats. However, it is still necessary for so many departments to be involved from the pre-sale of uncompleted flats to the issue of occupation permits. I am not suggesting that government departments should work perfunctorily but in the process, is it possible to examine the whole plan and point out all the problems in one go to enable the developer to make rectifications in one go, so that housing units can be developed more efficiently? This will meet the genuine demand of the public for buying a home and living in it, rather than just buying a home but not being able to live in it. I think this will be helpful, too.

Meanwhile, as we have time and again stated, many old factory areas can be found not necessarily in the New Territories, but also in many districts in Hong Kong. Many of these old factory buildings are idle now. Of course, a small number of them is still in use, say, as warehouses. We think that if these factory buildings can be directly converted into residential buildings after payment of regrant premiums, a large number of private residential units can be provided expeditiously.

We have noticed that the new measures recently introduced by the Government target overseas investors. There are pros and cons in this. In the short term, this is certainly good to Hong Kong citizens, for this can bring down property prices. From the angle of supply and demand, the demand will drop as less foreigners will be coming in to vie for residential properties. However, we can also see that in international financial centres or cosmopolitans, such as London, New York, Tokyo and Paris, no such measure can be found, and is the levying of the BSD appropriate in the long term? I think that when supply is adequate and the property market stabilized, the Government should abolish the BSD, in order for Hong Kong to maintain its position as an international financial centre.

Certainly, in respect of the development of new land, the Liberal Party supports that an approach of large-scale development should be adopted for the North East New Territories. As for other smaller places, the use of rock caverns or reclamation on an appropriate scale outside the Victoria Harbour to provide land for development of residential units is, in our view, worthy of consideration.

With regard to "Hong Kong property for Hong Kong residents" or flats with limited floor areas, we have taken a point into consideration and that is, in order to enable young people to buy flats which cater for first-time home buyers, first-time home ownership is also an important concept. Has the Government considered imposing the restriction that only Hong Kong people who are first-time buyers can purchase flats provided under the "Hong Kong property for Hong Kong residents" policy or flats with limited floor areas? Of course, if these first-time buyers sell their flats in future in order to buy a bigger flat, they will be required to sell them to first-time home buyers, too. They may not necessarily be young people, as they may be middle-aged people then. If there is such a market ..... I think even if some sites will be granted under the "Hong Kong property for Hong Kong residents" policy, it is still impossible to stop anyone from buying 20 flats in one go and then resell them to make a profit, as these flats can be traded in the market after the duty is paid.

I think generally speaking, it is most important that the Government must be truly committed to carrying out work in respect of land. In the short term, there is actually not much that the Government can do. Mr WONG Kwok-hing has proposed many details in his original motion. For example, there are about 200 000 people waiting for PRHs and if we calculate on the basis of a household size of something more than three people, there are 60 000 to 70 000 households on the Waiting List. With an annual production of 15 000 units by the Government, these people will have to wait for four years. I think the waiting time is long. Point (e) of the original motion proposes to increase the annual production to 30 000 units or more in order to shorten the waiting time to two years, and we support this.

As regards the many other specific proposals (*The buzzer sounded*) ..... Due to the time constraint, we support Mr WONG Kwok-hing's original motion.

Thank you, Deputy President.

**DR KWOK KA-KI** (in Cantonese): Deputy President, as we all know, LEUNG Chun-ying has told the public more than once, especially shortly after he assumed office, that the housing problem would be taken as the most important priority of the Government.

On 4 December last year when he said that he planned to run in the election, he stated that Hong Kong actually had a lot of land and that housing could be provided for 1 million people if we could successfully develop just 1% of the land. On 6 May this year when he attended a forum in Tung Chung after he was elected, he once again said that Hong Kong had never been short of land. But he said another thing three months later on 2 October. Deputy President, it is because he wanted to promote the North East New Territories (NENT) New Development Areas (NDAs) at that time. Although the development project in the NENT has remained controversial as many people consider that this project is intended to facilitate integration with Shenzhen and the Pearl River Delta, rather than to truly benefit Hong Kong people, I do not wish to talk about it at length today. Perhaps it was because he wanted to promote this project that he said that there was no land in Hong Kong, claiming that less than 400 hectares of land could be made available for development.

Deputy President, LEUNG Chun-ying has turned out to be the staunchest supporter of property prices. The very first task that he carried out when he assumed office on 1 July was to roll out the policy of allowing white form applicants to purchase Home Ownership Scheme (HOS) flats in the secondary market without payment of premium. It was followed by "LEUNG's 10 strokes". Then, measures for "Hong Kong property for Hong Kong residents" were implemented and the Hong Kong Monetary Authority was once again requested to tighten mortgage lending on the purchase of second properties. Recently, he has also introduced the BSD and enhanced the SSD. In spite of this, property prices have, on the contrary, risen by 16.2% over the last four months since he took office. What is he doing? This is obviously a rip-off to Hong Kong people, and these measures run counter to his beliefs.

Deputy President, I have noticed recently that many people like to display the colonial "lion flag" during demonstrations, and I have looked into the reason. After looking up the statistics, I really cannot disagree with some of their views. Let me try to cite a few examples here. Between 1991 and 1997 before the

reunification when the Government had not yet introduced the policy of providing "85 000 units", the population was around 6 million in 1991. The production of private residential units was 31 000 units, and the number of subsidized units available for sale (including HOS flats, flats under the Sandwich Class Housing Scheme and Tenants Purchase Scheme (TPS), and so on) totalled 19 000 units. Coupled with 25 000 public rental housing (PRH) units, a total of 75 000 units were provided back in that year. In 1993, the total production volume was 92 000 units, and the number ranged from 53 000 to 54 000 in each of the subsequent years. The average production of housing between 1991 and 1997 was 59 476 units, which was close to the level of 60 000 units.

Some Members mentioned the policy of building "85 000 units" earlier on and put the blame on TUNG Chee-hwa. In this connection, let me say something in all fairness for him. Mr TUNG had never been able to achieve the production target of "85 000 units". From 1998 when he took office to 2003 when he left, the production of housing had increased by only about 10 000 units to 69 417 units. But what happened during the seven years when Donald TSANG was in office was miserable indeed. Those were the most miserable seven years for Hong Kong people, at least in terms of housing. From 2004 to 2012 when he left, the production of residential units up to 2011 was once as low as 29 875 units, and in 2007, only 17 276 units were provided. I have asked the Secretary more than once whether he knew how many people got married each year. The answer is 50 000 people.

The Government said that a long-term housing strategy should be formulated. This is actually fine. But as we all know, the term of the Government is five years at most, and there are only four and a half years left. I am afraid that it will be too late when a long-term housing strategy is eventually rolled out by the Government.

According to the Government's statistics in the short and medium terms, there are a total of 800 remaining HOS flats; My Home Purchase Plan projects in Tsing Yi and other districts will provide 1 000 units and 4 000 units respectively; another 500 additional HOS flats will be provided, and together with the 36 sites to be made available, 20 500 units will be provided in total. This is so ridiculous. Why is it that both the supply of flour, that is, land, and the supply of residential units are so insufficient in the current-term Government? This

production volume is far short of that in 1997. The Government told us that there is no land. Why is it that only less than 400 of the 2 100 hectares of land can be put to use? The Government has all along been pressing for the commencement of works for the NENT NDAs, but it turns out that only about 170 hectares of the land will be provided for housing construction. Please stop putting the blame on the progress of the implementation of this plan!

Members of the ordinary public cannot develop land resources by themselves. Although the Government has claimed that this is the most important priority, and with the involvement of the former Secretary for Development, Carrie CHENG, the "fighter", as well as the ruling teams under Secretary Paul CHAN and Secretary Prof Anthony CHEUNG, how can such results achieved by the Government be considered acceptable to us? I would say jokingly that it had better ask for land from property developers in the next few years. Some statistics are very astonishing indeed: The Government's total land reserve is about 85 million sq ft, which can produce 122 000 units of 700 sq ft each, whereas property developers and the MTR Corporation Limited have a total land reserve estimated to be 63.9 million sq ft, or close to 64 million sq ft, which can produce an additional 91 000 units of 700 sq ft each. Furthermore, apart from the NENT NDAs, the four major property developers have hoarded 274 million sq ft of agricultural land, and if residential units were developed at a plot ratio of three, 386 000 units can be provided. So, Hong Kong people are right in saying that there is real estate hegemony.

The sites to be made available by the Government can provide only 120 000 residential units, and with the co-operation of property developers, over 400 000 units can be provided. Deputy President, the Government might as well turn to the property developers for help! The Government has performed so unsatisfactorily in producing these results, making the public suffer from having to live in "sub-divided units" and to wait desperately for PRH units and HOS flats. It is actually telling us not to waste time on waiting anymore.

It is impossible for me not to support today's motion because property prices nowadays are equivalent to 10 years of the median household income of ordinary families. Even if not a penny is spent on food and living expenses and it is unnecessary to support the living of the family, it still takes 10 years to repay the mortgage loan. If they have to pay tax or if they have to support the living of their parents and children, it takes 25 years for them to repay the mortgage loan

for a flat of 400 sq ft. Why do I use a flat of 400 sq ft as the basis for calculation? Because this is what former Secretary Carrie CHENG had always said. The SAR Government is so smart indeed! They use a flat of 400 sq ft as a standard for working out the living area of the public. Deputy President, if a couple with two children lives in a flat of 400 sq ft in Hong Kong, the flat area, after all sorts of deductions, will only measure about 280 sq ft. How unbearable it is!

Even if the Government has to formulate a long-term housing development policy — or whatever it is that the Government has to formulate — it must not make Hong Kong people continue to live in flats like "pigeon holes". How outrageous it is! This is entirely devoid of foresight. The authorities will provide 5 000 HOS flats, and compared with the production by the colonial government before 1997, the Government should be utterly ashamed indeed! According to my calculation, the colonial government could at least provide no less than 10 000 HOS flats, and the population then was only about 6 million.

Mr WONG Kwok-hing has called for the introduction of a loan scheme for first-time home buyers. The Civic Party does not support it. As we can learn from the past bitter experiences, many owners of negative equity assets came into being exactly because of this. It is also difficult for me to agree with some Members who said that no adjustment should be made to the property prices. It is because the bigger the property bubble becomes, the more owners of negative equity assets will be created, thus causing many more people to suffer, while property developers will then be able to argue more eloquently against measures meant to bring down the property prices in order not to plunge millions of people into difficulties. We have seen clearly how incompetent the Government is. From these statistics we can see that the public can only work day and night and continue to be bullied by real estate hegemony.

I so submit. Thank you, Deputy President.

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): Deputy President, I would like to thank Mr WONG Kwok-hing for proposing the motion today, which gives me the opportunity to elucidate the views of the current-term Government on housing.

Housing is the foundation of people's livelihood in society. As indicated by various opinion polls, housing tops the list of social issues of public concern. Truly, if the concern about housing is left not addressed, people's mind can hardly be put at ease.

The Chief Executive has expressed grave concern about the housing problem in his election manifesto and much has been said therein. Soon after he had assumed office, he introduced a series of measures on the policy on the supply of housing and land at the Question and Answer Session held in mid-July in the Legislative Council and on 30 August. During his address to the Legislative Council on 17 October and in the Question and Answer Session last Thursday, he reiterated the determination of the Government to resolve the housing problem properly.

The Government seeks to achieve three main policy objectives in housing. First, we will ensure that the basic housing needs of the public are properly taken care of and assistance is provided to the grassroots in being allocated a public housing flat. Second, we will ensure that the public may choose their accommodation according to their varying affordability and conditions, which include purchasing their own homes, yet we will not set a fixed indicator. Third, we will develop and establish a housing ladder in the course, with public rental housing (PRH) being the foundation, and topped by a specific number of subsidized housing for home purchase, and at the same time stabilize the development of the private property market, with a view to promoting social mobility.

Regarding the original motion proposed by Mr WONG Kwok-hing and the amendments proposed by the seven Members, the proposals and views put forth cover the two major policy areas of housing and land supply. The Government may not entirely agree with individual proposals, yet regarding the major direction of the need to properly resolve the housing problem, I think consensus in considerable measure exists between the legislature and the executive. In this opening speech, I will first focus on housing and relevant policies, whereas the Secretary for Development will speak on land supply shortly. After listening to the views expressed by Members spoken, I will give a comprehensive response on various issues and proposals about which Members have expressed concern.

In documents like the Universal Declaration of Human Rights, the International Convention on the Elimination of All Forms of Racial

Discrimination and the International Covenant on Economic, Social and Cultural Rights, there are provisions on the right to accommodation. Various countries, such as the United States, the United Kingdom and Japan, and so on, recognize the right to accommodation and have on this premise adopted different approaches to address the housing aspirations of their nationals, taking into account various factors like their own social policies, economic condition, financial resources and the relationship between the government and the market.

In Hong Kong, in the 1970s, the then incumbent Governor MACLEHOSE launched the Ten-year Housing Programme. Since then, a PRH system began to take shape, which had become reference for many overseas regions. In 1976, the introduction of the Home Ownership Scheme (HOS) was announced, and thus a relatively comprehensive body of public sector housing was formed to address the housing needs of the general grassroots and the lower-middle class. To date, 46% of the population is living in public housing. After the reunification, the SAR Government set the average waiting time for general waiting-listed applicants at around three years. In comparison with the waiting period of eight to nine years, or even longer, in the 1980s to 1990s, considerable improvement has been made. The development of PRH has brought forth the development of new towns, which is a characteristic of Hong Kong. The development history of public housing is said to be a piece of history which Hong Kong people are proud of.

At the same time, rapid development in the private sector property market came about in tandem with the growth of the middle class in Hong Kong, and the accumulation and dispersion of wealth in society.

All along, housing in Hong Kong has taken the direction of concurrent development and growth in the public and private sectors. On the premise of upholding the free market principle, the Government has intervened via various policies to address the basic housing needs of the public and their aspiration for home ownership.

With the development of society and economy, the public pursue higher quality of accommodation, both in terms of living environment and area per capita, and many of them look forward to acquiring their properties. Today, Hong Kong is ranked as a developed economy and a worldwide financial centre,



however, we are facing the daily reality that the supply of public housing fails to meet the demand in society. A considerable number of people are still living in poor conditions, and the "sub-divided units" phenomenon reflecting the impoverishment and degentrification in people's livelihood is a mockery of this modern and affluent city. The Waiting List for public housing is growing longer, with many middle-aged and young singletons adding to the list.

As for HOS flats, due to the cessation of production of HOS flats for a number of years since 2002, rungs in the original housing ladder were interrupted. The arrangement has affected the turnover rate of PRH tenants applying for HOS flats via the green form and deprived the sandwich class of the opportunity to acquire affordable homes. Therefore, when the property market picks up from the slump, the supply-demand situation in housing in society becomes extremely tense all of a sudden. Given the shortage of supply and the increasing demand prompted by domestic and overseas investment, property prices have picked up swiftly from the recession since the worldwide financial tsunami in 2008 and are rising continuously. In recent months, with the introduction of the third round of quantitative easing measure by the United States, the market becomes more buoyant. The hardship of acquiring the first home and meeting the exorbitant rental has put many people who are not eligible for applying for PRH in deep waters. The Government fully understands their plights.

Today, the housing problem has developed into an extremely complicated subject, for different groupings in society have different aspirations. For the low-income group, the solution to their housing problem is often the allocation of a PRH flat. For those living in "sub-divided units" or poor living conditions, they look forward to early improvement in their living environment, which is a pressing need to them. As for elderly tenants in PRH who need family members to take care of them, a relatively spacious PRH unit allowing them to live with their families is their aspiration. As for certain tenants who have been living in PRH for many years and desire an "upgraded" environment, and other non-PRH tenants who are eligible for applying for HOS flats as white form applicants, they long for an increase in the supply of HOS flats. For the young middle class, particularly the younger generation planning to set up their family and those with relatively good financial capacity, they hope to acquire their first home as soon as possible, and this is one of their goals in life.

I would say that given the differences in income, social stratum and age, the housing need of various social groups often carries different meanings. As such, the Government should address the various needs through different measures. The demand for home ownership is affected by a host of factors, such as property prices, expectation on the future movement of the market, interest rate and economic condition, and so on. During a slump in the property market, people sometimes may not dare enter the market despite their need. When the property market is thriving, particularly in a low-interest rate environment, people are more eager to enter the market, which will in turn boost the demand.

Since taking office, the current-term Government has made resolving the housing problem the most important priority in administration. In the face of the heated up property market, the Government sets its premise on two prioritized items: Priority should be accorded to first meeting the demand for self-occupation and second taking care of the need of Hong Kong permanent residents.

We understand full well that the existing imbalance in demand and supply cannot be averted overnight. However, the Government has the confidence and the resolve to increase the supply constantly by making every effort to open up new land, fully utilize land resource and enhance the room for development. We adopt the supply-led approach in our housing policy, including the housing supply in both the public and private sectors.

In the past four months, the Government has introduced a series of short-term to medium-term measures. These include the proactive identification of sites for PRH construction, the compression of the building procedures, the sale of surplus HOS flats, the resumption of the building of HOS flats, the changing of the original project at Tsing Luk Street under My Home Purchase Plan (MHPP) from rental mode to sale-only mode, the speeding up of the approval for pre-sale of uncompleted flats, and so on. It is hope that these measures will release more land resources for the construction of HOS flats, PRH flats and private housing as soon as possible. We will make continuous and proactive efforts to identify suitable sites for the construction of PRH and HOS flats in various districts, where sites of all scales will be considered, with a view to increasing the supply of subsidized housing.

According to the latest Public Housing Construction Programme of the Housing Authority, in the period between 2012-2013 and 2016-2017, an average of about 15 000 PRH flats will be completed each year. However, I have to point out that this figure is not a fixed indicator. If suitable sites are identified, we will adjust the number of flats to be constructed so as to increase the supply.

Also, I would like to point out that the target of an average waiting time of three years refers to the average waiting time from registration on the Waiting List to the first offer of a flat of general applicants. The waiting period does not include the freezing period which may arise during the application period. For in some cases, applicants may request freezing their application because they have not yet fulfilled the requirement under the residence rule or because they have to wait for reunion with their family members. Moreover, individual applicants may be recommended to live in certain specified sub-district by the departments concerned on health grounds or other reasons. Since the specification will restrict the scope of allocation, the waiting time for such applicants may thus be longer. However, we will further review the arrangement for the existing Waiting List with a view to making improvement as far as possible.

In addition to newly completed PRH flats, there are 7 000 to 8 000 flats recovered every year, which will be allocated to applicants. In other words, a total of 22 000 to 23 000 flats are available for allocation each year.

Some Members mentioned reviewing or abolishing the Quota and Points System applicable to non-elderly single-person applicants so as to treat singletons with pressing housing need and young people waiting for PRH fairly. I must point out that I surely understand the housing need of these singletons. However, given the scarcity of public housing resources, we accord priorities to families under the existing allocation system. The hasty abolition of the Quota and Point System will inevitably increase the waiting time of these families, and society has divergent views on these issues. Nevertheless, non-elderly single-person applicants include singletons of different ages and with different needs. Some in society hold that singletons of older age stand a relatively smaller chance of improving their living conditions via upward mobility, so their need for PRH should be taken care of. Therefore, in the Long Term Housing

Strategy Review (the Review), we will examine the case of non-elderly single-person applicants of older age and consider ways to formulate a relatively feasible approach.

As for the property market, the number of private residential flats under construction reached 16 100 flats in the first three quarters of this year, which is 75% higher than the same period last year. It is evident that the supply of private housing will increase. In the next three to four years, the supply of first-hand private residential flats will reach 65 000 flats.

Regarding the supply planning under the long term housing policy, the Review, which has just been kick-started, will examine the changing housing needs and priorities in society. Projections on the demand for public and private housing in the medium to long term will be made, indexes will be set and policies and measures will be put forth. We hope to come up with a roadmap, as mentioned by Mr WONG Kwok-hing earlier. I would like to tell Mr LEE Cheuk-yan that the long-term strategy is in no way an attempt of procrastination in the short term. However, we definitely should make comprehensive planning for all matters. In the course of review, we will listen to the views of all sectors in society. Also, we will report the issue to the Panel on Housing of the Legislative Council and incorporate the views of Members. Certainly, we will seriously consider the views and proposals expressed by Members in this debate today.

When we adopt the supply-led strategy on the one hand, we will not overlook the need for demand-side management on the other as we strive to stabilize the property market. Against the prevailing background of excessive liquidity, excessive low interest rate and inflow of foreign capital, the thriving property market is further stimulated, and the risk of a property bubble forming is increasing. As the Financial Secretary said, the red hot property market is already going against the fundamentals of Hong Kong economy, which will threaten the stability of the macro economy and financial system of Hong Kong, and the destructiveness of this on society and people's livelihood will be relatively significant. Since we are facing an extraordinary situation, the Government decided to take extraordinary measures. On 26 October, a new round of demand-side management measures was introduced, that is, the increase of the SSD and the introduction of the BSD.

Deputy President, I hope my speech will enable Members to understand the views and policy orientation of the new Government on housing. It is our objective to stabilize the property market by increasing supply through a multi-pronged strategy and adopting prompt demand-side management.

The Secretary for Development will speak on the policy and strategy on land supply for housing. After Members have spoken on the motion debate, he and I will speak again to give comprehensive responses to the concerns and proposals raised by Members. Thank you, Deputy President.

**SECRETARY FOR DEVELOPMENT** (in Cantonese): Deputy President, first of all, I would like to thank Mr WONG Kwok-hing's motion for giving us the opportunity to explain the Government's land supply policy and the current situation.

Deputy President, after the discussions on the problem of tight housing supply in the past few months, I believe we need a constant supply of land in order to meet the housing and various socio-economic development needs in Hong Kong. It is a consensus in society, as well as an indisputable fact.

There are nearly 200 000 applicants on the public housing Waiting List and the residential property prices have also exceeded the 1997 level. Furthermore, the property prices are still on the rise amidst the global and domestic economic slowdown. Doubtless, the Government has to address the problem at root — that is, land supply — in order to avert the current imbalance between the supply and demand of residential land and perfect the housing policy. Only in doing so can the people live in peace and work with contentment, and our society and economy maintain steady growth. It will also ensure the healthy and stable development of the property market.

According to the land utilization statistics compiled by the Planning Department, the total area of land in Hong Kong has increased from 1 075 sq km in 1990 to 1 108 sq km in 2011, representing an increase of 3 300 hectares. Among such land, the area of built-up land has increased substantially by more than 80% from 146 sq km to 265 sq km, representing an increase of 11 900 hectares. Meanwhile, land for residential purpose has also increased by

more than 50% from 50 sq km to 76 sq km, representing an increase of 2 600 hectares.

It is worth noting that in the past 20 years, the average annual increase in the area of built-up land is about 540 hectares, which is almost equivalent to having one more developable area of NENT NDAs per year. However, regardless of whether it is the total land area, or area of built-up land, or area of residential land, the growth in recent years has slowed down significantly. It clearly shows that the Government must adopt a multi-pronged approach to actively expand land resources and build up a land reserve with a view to meeting the continuous land demand for housing and economic development.

Regarding the land supply policy, the Government's strategy can be summed up into two parts: First, to open up new land; and second, to make use of the existing land. First of all, I would like to explain the opening up of new land.

To open up new land is an important source of land in the medium and long term. Through a planning and engineering study, undeveloped rural or other lands will be formed. Land will also be formed by cutting mountains and reclamation for large-scale and higher-density development. Such approaches were consistently adopted for urban expansion or new town development in the past. As the planning and engineering studies, relevant statutory procedures, site formation and infrastructure facilities will take time, long-term and continuous planning is required for the opening up of new land.

The planning of NDAs is one of the major projects of opening up new land. The NENT NDAs, of which the Stage Three Public Engagement exercise has just drawn to a close, is a good example. According to the Stage Two Recommended Outline Development Plans, the 780-hectare NENT NDAs will provide 533 hectares of developable land in total, including 150 hectares of housing land which will provide 53 800 residential units. Having considered the views collected during the consultation period, we are now reviewing the development density and the proportion of public housing to private housing.

Apart from the NENT NDAs, the Government is actively studying other NDAs such as the Hung Shui Kiu NDA involving about 790 hectares of land.

The Stage 1 Community Engagement of the Hung Shui Kiu NDA was completed by the end of February this year, while the next stage of Community Engagement will commence in 2013. Like the development of new towns in the past, acquisition of private land will be inevitable for the NDAs.

In addition, we are also actively exploring the option of reclamation on an appropriate scale outside the Victoria Harbour and rock caverns development. The Stage One Public Engagement organized by the Civil Engineering and Development Department was concluded by the end of March this year and more than 50 000 submissions were received from various channels. After collating and analysing the views collected and revising the siting criteria, we are writing the final report on Public Engagement. Meanwhile, we are also conducting the preliminary technical study on feasible locations with a view to embarking on the Stage Two Public Engagement for identifying suitable sites for reclamation, as well as the development of rock caverns for the reprovisioning of public facilities so as to release such sites. Both of these two options aim at meeting our housing and development needs in the future.

As for other large-scale projects for increasing new land, these include the Tung Chung New Town Extension Study (involving 287 hectares of land) launched in January this year; the West Rail Kam Sheung Road Station/Pat Heung Maintenance Centre sites, and the adjacent areas (involving 138 hectares of land), as well as a number of quarries sites such as the Anderson Road Quarry site and the disused Cha Kwo Ling Kaolin Mine site. These development studies involve a total area of about 168 hectares of land. We will also start to review in a gradual manner the agricultural land mainly for industrial purposes, temporary storage or which is deserted in North District/Yuen Long by the end of this year (involving a total of 257 hectares of land).

The Stage 1 Public Engagement for the Tung Chung New Town Extension Study was concluded by the end of August this year. While analysing the public views collected, we have embarked on formulating the development plan for further public consultation so that Tung Chung, a strategic district of huge development potential, can be put to good use expeditiously.

Deputy President, as for making use of existing land, I have to point out that we have to put existing developed land to good use in order to achieve the

optimal use of land. This is also an important part of our land supply strategy, including various types of land:

- (a) unleased or unallocated Government land under different land use zonings on statutory town plans (please refer to information on land supply which was collated and disclosed in a comprehensive manner by the Development Bureau earlier in response to a question by the Legislative Council. Such information, which has been set out in detail in the reply to a Member's question on 17 October, can be accessed by visiting the website of the Development Bureau);
- (b) Government land currently being used and the utilization period will soon come to an end (such as land under short-term tenancies and temporary Government land allocations);
- (c) land currently available for development which can be used in a better way through changes in land planning or increase in development density (such as "green belt areas" and industrial land which are considered suitable for development after review by the Planning Department);
- (d) existing government buildings and government, institution or community sites available for redevelopment (such as vacant school buildings, government offices, the former Wong Tai Sin Police Quarters, and the ex-Government Supplies Depot at Oil Street, North Point);
- (e) existing public or private housing sites with redevelopment potential in urban areas; and
- (f) lands suitable for property development along railway lines.

Deputy President, identifying suitable lands for housing or other development purposes is an ongoing task. The authorities have been closely examining the existing land use. As we emphasized in a reply to a Member's question about areas of vacant Government land, the authorities will not let go any land which may be used for development. For land which has development potential, we will review and evaluate the feasibility of development under the



established mechanism. When these sites are ready for development, they will be allocated for the construction of public housing, included in the Application List for land sale, or allocated for other development purposes.

For instance, in the 391.5 hectares of unleased or unallocated Government land under "Residential" and "Commercial/Residential" zoning that has been announced, 19 sites have been added to the 2012-2013 Application List for land sale, involving about 18.9 hectares of land.

Apart from the aforesaid land supply, there will be redevelopment projects of private properties, redevelopment projects by the Urban Renewal Authority (URA), change in the use of private land, and property developments along the railway lines. I am sure that more existing land will become available to boost the land supply for housing or meet other development needs in the future.

All in all, in order to cope with the housing needs of Hong Kong people and the socio-economic development needs, the Government has adopted a multi-pronged approach to actively explore the land resources and establish a land reserve. As I mentioned in the beginning of my speech, the Planning Department is conducting a number of planning and engineering studies for NDAs, as well as land use studies and reviews, involving an area of over 2 500 hectares of land. Adding to this the initiative of reclamation on an appropriate scale outside the Victoria Harbour and rock caverns development, I believe these initiatives will help increase the land supply in the short, medium and long terms.

Deputy President, regarding the URA's redevelopment projects, some Members have mentioned the situation of some redevelopment projects. According to our information, it is estimated that from 2013 to 2017, the property development projects to be tendered by the URA will involve an area of about 3.9 hectares. These projects are now at different stages of planning and preparation. They will be put up for tender as soon as the preparatory work is completed so that more housing units can be provided to meet the public need in a timely manner.

The properties of the MTR Corporation Limited (MTRCL) can be divided into two parts. The first part comprises property development projects along the West Rail. The remaining projects which have not yet been tendered involve a total area of 38 hectares. These projects are at different stages of planning and

preparation, including Tsuen Wan West Station TW6, which will be put up for tender this quarter, and Long Ping Station (South) project, which is expected to be put up for tender next year.

The second part includes projects which have been awarded to the MTRCL. To my understanding, projects for which tenders have not yet been invited include those located at Tai Wai Station, Tin Shui Wai Light Rail Rail Terminus, and the remaining part of Tseung Kwan O Area 86 (LOHAS Park). In addition to the upcoming projects at Ho Man Tin Station and Wong Chuk Hang Station, these involve a total area of about 42 hectares.

Deputy President, in response to a Member's question about the policy of "Hong Kong property for Hong Kong residents", I would like to explain it briefly.

The policy objective of "Hong Kong property for Hong Kong residents" is to accord priority to the home ownership needs of Hong Kong permanent residents. Two sites at the Kai Tak Development Area have been earmarked for this purpose as a pilot scheme under the policy. We propose that completed housing units can only be sold to Hong Kong permanent residents under a restriction in the relevant land lease, and these flats can only be resold to Hong Kong permanent residents within 30 years.

As the policy of "Hong Kong property for Hong Kong residents" is not a kind of subsidized home ownership scheme, we do not intend to impose other restrictions on the eligibility of buyers and the use of the flats. For instance, buyers are not required to be first-time home buyers, and the relevant units are not necessarily purchased for self-occupation rather than for lease.

The Government is now drawing up the implementation details so that relevant land sale conditions can be added when these two sites are put up for tender in the first quarter next year. The policy of "Hong Kong property for Hong Kong residents" is very flexible. Clauses on "Hong Kong property for Hong Kong residents" will be suitably included depending on the market situation and the relevant land sale conditions rather than setting a fixed target such as the number of units or the number of sites involved.

Deputy President, lastly, I have to explain the issue of building safety. Concerning an Honourable Member's proposal to immediately crack down on

residential units which pose immediate structural, fire or hygiene hazards, I must point out that the Government has always attached importance to building safety. According to a multi-pronged approach announced in late 2010 to strengthen building safety in Hong Kong, a series of new measures covering enactment of legislation, law enforcement, support and assistance for flat owners, as well as publicity and public education has been launched.

Regarding enactment of legislation, the Legislative Council has passed relevant legislation on mandatory inspection of buildings and windows in the past two years, as well as a number of legislative proposals to strengthen building safety including the measure allowing the Buildings Department (BD) to apply to the Court for a warrant authorizing entry into premises for investigation and taking enforcement actions. Furthermore, works for sub-division of domestic flats (commonly known as "sub-divided units") are included in the Minor Works Control System.

Regarding law enforcement, the BD has also formulated a new enforcement policy under which a wider scope for action is adopted to remove unauthorized building works (UBWs). The coverage of actionable UBWs is extended to include UBWs on rooftops and podiums as well as those in yards and back alleys of buildings. In order to deal with buildings in disrepair and "sub-divided units", the BD has also launched a large-scale operation under which inspections of target buildings will be arranged every year and enforcement actions will be taken against non-compliant flats. The flat owners concerned will be required to rectify the irregularities.

It is the Government's policy to ensure that no one will be rendered homeless due to its enforcement action and measures have been put in place to help those who are affected by the BD's enforcement action in finding proper accommodation when they are forced to remove from certain premises. The BD has also established social service teams to provide the necessary social and emotional support to affected occupants.

Deputy President, I so submit. I will listen to the speeches of Members and make an appropriate supplement or response later.

Thank you very much.

**MR LEUNG YIU-CHUNG** (in Cantonese): Deputy President, the motion we are discussing today is how to solve the current housing problems. Honourable colleagues have just pointed out that the housing problem we are facing today is caused mainly by the policy blunders committed by the Government of the last term and even its predecessor. They thus wish that the current-term Government can bring things back to order.

I also think that since the current-term Government has just assumed office for three to four months, so if you demand it to bear the responsibility of the housing problem, it is certainly unreasonable. However, the solution to the problem hinges on whether we could pin hopes on the current-term Government to correct its mistakes. This is our greatest concern. For me, there is little confidence, Deputy President. Why? Because when it comes to the policy blunders committed by the Government of the last term, some officials of the last-term Government are in fact serving in the current term, including Chief Secretary Carrie LAM. Although her position is not the same, she was also an official of the last-term Government. Furthermore, not only Chief Secretary Carrie LAM, there is an important figure, Chief Executive LEUNG Chun-ying. He is an important figure in the sense that he was the Convener of the Executive Council of the last two terms. We all know that our Government is executive-led, thus major policies are often formulated by the Executive Council and the Chief Executive, or the Chief Executive in Council. Then how can we say that the incumbent Chief Executive, Mr LEUNG Chun-ying, has no share of the responsibility? As a Member of the Executive Council for so many years, what has he done? Today, our housing problem is plagued by a serious policy mistake. Could he evade his responsibility? If not, then my concern is how to rectify the mistake. Indeed, in his election platform, regarding the housing problem ..... although many officials or Honourable Members also consider that he has placed a great deal of emphasis on the housing problem and put it high on the agenda, unfortunately, his policies are uninspiring in the sense that they are almost entirely a copy of the policies of the previous Government or responses to them. For example, Secretary Prof Anthony CHEUNG just mentioned the figures of PRH production. He still reiterated that approximately 15 000 units should be completed each year, although he added that it was not a fixed target and could be increased if there were more suitable sites. What is the difference from the practice of the last-term Government? The target fixed by the last-term Government is 15 000 units, which is the same as the current target. I remember that LEUNG Chun-ying in his election platform stated that the target of

producing 15 000 units will be maintained in the next five years. Slightly different from the last-term Government's pledge, units scheduled to finish in five years will be completed one year ahead of schedule. In other words, the schedule will be speeded up mildly although the amount of production remains unchanged. However, it does not mean that the schedule can be accelerated immediately. Rather, time can only be shortened by one year in four years. This means that the amount of housing production is a drop in the bucket *vis-à-vis* the current housing problem, which remains unresolved.

Therefore, I will not pin high hopes on the current-term Government. Secretary Prof Anthony CHEUNG has just mentioned a number of existing policies which, however, are formulated arbitrarily without taking heed of public opinions nor making timely adjustment in response to the needs of society. For example, he mentioned that second-hand HOS flats with premium not yet paid could be purchased in the private market. But how can this resolve the housing problem? The so-called one-to-one exchange of a private unit with a PRH unit cannot satisfy the actual housing needs of applicants on the PRH Waiting List because this measure cannot vacate units. This is meaningless. Moreover, where can the former HOS owners live after selling their homes? As the supply has not increased, they still have to buy or rent other units in the private market. So, the problem could neither be ameliorated nor solved. This is just a tactic to deceive the people by proposing a measure which seems to be a solution, but in fact it is marking time and the problem remains unresolved.

Thus, when some Honourable colleagues said that the Government could bring order out of chaos, I greatly doubt it. The authorities have ignored this Council. We in this Council hope that we can talk with the Government. The Panel on Housing has passed a motion urging the Government to consider suspending the proposal temporarily. However, the Government is not willing to do so. Deputy President, I have, in particular, added the wording "temporarily" to the motion, but the Government was reluctant to accept it and refused to consider it. It has even reiterated that the proposal will be implemented by the end of the year. What else could be said? What is the point of any continued discussion?

By the same token, the Government seems to be listening to our views, but in fact, how can I believe that our voices are heard? Therefore, I have no

confidence that the Government can solve the housing problem in Hong Kong. Insofar as the grassroots are concerned, I even do not believe that there will be any solution because the Government has not told us of how the supply of PRH flats can be increased. Moreover, when we mentioned the issue of single persons, the two Secretaries shed no light on its solution other than merely admitting their needs. However, a request as simple as arranging for two queues, one for the younger and one for the older, so as to shorten the waiting time was turned down by the authorities. Then how could you display to us your direction and plan to solve the problem? Furthermore, the Secretary has just mentioned that there are 200 000 households registered on the Waiting List for PRH. If my memory is correct, there were only 150 000 households on the Waiting List a couple of years ago. Now the figure stands at 200 000, meaning that within a couple of years, the number has increased by as many as 40 000 or 50 000. Yet the annual production of PRH units remains at 15 000. Is it not ridiculous? I will not name the "s" because when I mention them, Ms Emily LAU would scold me. So, I am not doing so. I just want to raise a primary school level mathematical problem (*The buzzer sounded*) ..... This primary school level mathematical problem does not make sense however you work on it, if an applicant can be allocated a PRH unit in three years ..... right?

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

**MR WU CHI-WAI** (in Cantonese): Deputy President, before I come to the discussion on resolving the people's housing need, I would like to quote several figures for Members' reference.

Between 1998 and 2002, there were 32 000 newly married couples in each of the year. In recent years, the number of married couples has increased to 50 000, and 58 400 couples got married last year. In respect of population, in 1998, there were 1.96 million domestic households. In 2011, the number increased to 2.36 million, an increase of 400 000 new domestic households. The shortage of housing supply has become a definite trend, for we notice that the overall housing supply in the past 10 years or so has failed to meet the demand arising from the increase in domestic households. Worse still, the dried-up supply was aggravated by the Individual Visit Scheme, the investment migrant

policy and the quantitative easing, and thus the fire of the property market was fuelled to an uncontrollable extent.

In the face of the increasing demand, Secretary Prof Anthony CHEUNG said earlier that housing supply would be increased in future and expected to reach 65 000 flats in three to four years' time, meaning that 15 000 flats would be provided. But the supply still fails to meet the actual demand. Just now, I heard Secretary Paul CHAN mention a figure that surprised me, that is, over 2 500 hectares of land would be identified in the future. However, despite the finding of a large number of sites, the figure of housing supply seems to stick to the original plan, which means the existing imbalance in supply and demand will continue. Since the public realize that the housing problem faced by them will remain unchanged in the future, more people will continue holding to the high expectation, thinking property prices will rise higher if they buy later, and worrying that the supply would not meet their housing need. These people may end up purchasing their homes at exorbitant prices, which I liken to taking up a flaming rod.

Secretary Paul CHAH mentioned earlier that there would be a considerable increase in land supply. I think it is good. During our discussions, we agreed that this is a very important principle, for an adequate land reserve is the prerequisite for increasing housing supply. Regarding the source of land reserve, I totally agree with the direction stated by the Secretary. Besides, I think vigorous efforts should be made in land development, and yet in the course of development, I implore the Secretary to consider certain aspects.

First, there are certain old districts, such as the Thirteen Streets in To Kwa Wan and the Kowloon City District, which stretch over a vast area. Since these districts are in the vicinity of the former airport runway, buildings in the districts are subject to height control, and the overall development of these districts has fallen greatly behind the modern society. Moreover, perhaps due to the non-intervention of the Urban Renewal Authority (URA), we notice that it is difficult to commence redevelopment in these districts. In the case of Kowloon City District, for example, due to the large number of "pencil" buildings in the area, redevelopment will not bring improvement to the overall housing planning. I think the Government should allocate more resources to the URA, so that it can boldly intervene in redevelopment plans considered necessary and approved by residents.

Second, this is something I look forward to. Some time ago, the Hong Kong Housing Authority (HKHA) had put forth a new concept on the redevelopment of old districts, that is, the potential for redevelopment. Regrettably, by now, we have not yet seen any realization of this redevelopment concept, particularly in Kowloon East. We think that the redevelopment rolling programme approach adopted in the past will enable the parties involved to get prepared, whereas the Government may make better and more accurate planning in terms of land reserve and housing supply, so that all parties will benefit.

Hence, we earnestly hope that in considering the issue of land supply, the Transport and Housing Bureau or the Development Bureau will also consider the two directions mentioned as a supplement, which will enable the authorities to hold more strategic land reserve in hand. For the authorities do not only need to cope with housing demand but also have to deal with real estate hegemony. In fact, as Members said, the sites held by property developers may outnumber that held by the Government. If the Government does not have adequate land resource at hand, it is no easy task to rise up to the challenge posed by real estate hegemony, particularly in the face of the enormous housing demand.

As regards the many amendments, I would like to talk about the one from Mr Gary FAN, which mentions that the authorities should avoid using private land acquisition as a means to increase land supply. We consider this thinking inappropriate, particularly when the majority of sites in the New Territories are owned by private developers. If this means is given up, I wonder what measure the Secretary could adopt to increase land supply effectively. Therefore, the Democratic Party will oppose the amendment proposed by Mr Gary FAN. Moreover, regarding the short-term measures, we notice that the grassroots are indeed paying exorbitant rents, so the Democratic Party considers the provision of rent allowance to low-income persons a suitable approach to alleviate their burden and help them to meet the exorbitant rents. Hence, we will vote against the amendments proposed by Mr Michael TIEN and Ir Dr LO Wai-kwok.

Finally, I would like to add one point. When it comes to rent control, we consider that the idea put forth by the Democratic Party in 2004 is still valid. We think that the rental control concept put forth should be able to balance the right to residence of the owners and tenants effectively. Therefore, the rateable value should be set at a reasonable level, so that rental control (*The buzzer*



*sounded*) ..... will be arranged effectively, and this is a direction worthy of consideration .....

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

**MR WU CHI-WAI** (in Cantonese): ..... thank you, Deputy President.

**MR CHEUNG KWOK-CHE** (in Cantonese): Deputy President, a motion debate on "perfecting Hong Kong's housing policy" was just concluded and passed in this Council on 18 April this year. I wonder if a similar motion was proposed by Mr WONG Kwok-hing because he was unaware of that motion or, like us, he noted the new-term Government's poor housing policy over the past several months and thus wished to urge the Government pick up pace. In fact, the housing problem is undoubtedly the principal focus of livelihood issues in Hong Kong. Nevertheless, the key does not lie in the number of our discussions, because even if we talk till our mouths are dry and pass countless motions, members of the public can only keep on waiting if the Government does not do anything. This is pathetic.

Deputy President, the contents of Mr WONG Kwok-hing's motion and other Members' amendments, except for the recent influx of hot money, are familiar to Members and have been discussed in this Council before. A number of proposals, from the long-term housing policy, "Hong Kong property for Hong Kong residents" to expediting the construction of youth hostel units and even the heated topics of late, such as the influx of hot money and the continual rise in property prices, and so on, have been put forward jointly. Today, I would like to take this opportunity to talk about the contents of several proposals which are of particular concern to me.

First of all, I would to raise the housing problem of the "N have-nots". I recall that Financial Secretary John TSANG said when announcing the Budget in 2011 that the Government's money belonged to the people and hence the Government having money was tantamount to the people having money. His remarks were greeted with boos at that time. Let me cite these "N have-nots"

who do not need to pay tax and rates and are not living in public housing as an example. Over the years, the "sweetener" measures proposed in the Government's budgets have failed entirely to care for them. Many of these people, who can be described as living at the bottom social stratum, are facing the in-work poverty problem. It is already pretty good for them to be able to "live from hand to mouth". But actually, most of them do not manage to scrape by. Living mostly in "sub-divided units", they have to bear exorbitant rent and live in extremely deplorable conditions. Moreover, they live in fear every day of fires and personal safety. At its first meeting, the Long Term Housing Strategy Steering Committee disclosed that there were 35 000 households, or a total of 71 000 people, living in various types of cubicle apartments and "sub-divided units", with one tenth of them even living in the "sub-divided units" in industrial buildings.

In addition to their obvious housing need like that of other applicants on the Waiting List, these 70 000-odd people have another urgent need because they are living in a most dangerous dwelling place which is actually unsuitable for people to live. Some of them are even compelled to live unlawfully in the "sub-divided units" in industrial buildings. These 71 000 people precisely reflect the inadequacy of public housing. The Government must, apart from finding more land for the construction of public housing, take immediate steps to draft a rehousing policy for this type of housing having regard to such a large population living in "dangerous units". I must remind the Government once again to learn a lesson from the major fire in Fa Yuen Street as, according to a newspaper report earlier, the problem of "sub-divided units" was found to have surfaced again in Fa Yuen Street by a journalist revisiting the place. The Government must not pretend that the problem does not exist. In fact, there is a saying that "he who has hair does not want to go bald". The Government must not simply repeat its declaration that it is illegal to live in "sub-divided units". It must match words with actions by building additional PRH flats while carrying out inspections of "sub-divided units".

Deputy President, although the Community Care Fund (CCF) has begun offering assistance to these "N have-nots" who are living in deplorable conditions, only three-person households can receive a one-off subsidy of \$8,000. In fact, the subsidy can at most give them a short reprieve to catch some breath, but far from being able to suppress cough, not to mention resolving the problem.

Deputy President, the one-off subsidy granted under the CCF is *de facto* a kind of rent subsidy aimed at relieving the heavy pressure of exorbitant rent on grass-roots people.

In fact, rent control measures had been put in place to protect low-income households since the 1970s. However, rent control was lifted by the Government in 1998 on the ground that it was unfair to owners of old buildings and the private property market was distorted, so to speak. At that time, there was strong objection from at least the social welfare sector, particular social welfare workers serving old districts where private buildings abounded, as it was believed that the livelihood of grass-roots people would thus be seriously affected. Today, on the contrary, the livelihood of the people has been destroyed by the market. I call on the Government to reintroduce the rent control system to help low-income households.

Deputy President, during my visit to these households with housing difficulties, they spoke with one voice that, while rent control was important, it was even more practical for the Government to expedite PRH allocation. Come to think about this. After a household earning a monthly income of \$10,000 has paid \$4,000 to \$5,000 to rent a "sub-divided unit", how much money is left for them to support their living? What can they say about the quality of living when they are trapped inside a room measuring 70 sq ft to 80 sq ft? The impact is even greater for growing children in particular. Hence, the greatest aspiration of low-income people is naturally getting PRH allocation expeditiously. This also explains why building additional PRH flats is the most effective means to resolve their problem. As I mentioned before, getting PRH allocation is the first step to getting rid of poverty.

At present, PRH production is still marking time, despite the spiralling of property prices in recent years. Although the Government's earlier rigorous measures might have adjusted property prices a bit, the opportunity has been missed since property prices are already standing high. With still no prospect of acquiring their own homes, members of the public cannot do anything to improve their living environment. The Government should take concrete steps to boost land supply and launch more "flats with limited floor areas" with a view to increasing the supply of small residential units.

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

**DR CHIANG LAI-WAN** (in Cantonese): Deputy President, while birth, death, illness and old age are inevitable, clothing, food, housing, transportation are necessities of daily life, with housing being the greatest problem for Hong Kong people today.

A young friend of mine has told me that he had never worried about having a housing problem when he was young because he thought he just had to work hard after growing up. If he became very rich, he could buy a big house; if he was not very rich, he could still buy a small one; and if he had little money, he would apply for public housing. But now, having grown up, he has come to realize that he cannot save enough money to buy a small flat even if he works very hard to make money, because the prices of private properties are really very high. Over the past five years, the prices of private residential flats have surged by 95%. As a result, new flats nowadays are so small that they resemble "sub-divided units". For instance, there is a luxury property comprising dozens of "sub-divided units" in Hung Hom. Although some of these units measure only 128 sq ft, which is even smaller than the size of a 150 sq ft one- or two-person flat offered by the Housing Department, they can be sold for up to \$2 million each. There is no way for people earning below \$20,000 a month to think of buying them. Meanwhile, this young friend of mine does not meet the eligibility criteria for public housing because his salary is just above the income ceiling. He said that he can only opt not to work so hard now to earn a bit less, so that he can wait for public rental housing (PRH) allocation.

Deputy President, this is absolutely true. Although earning a living and building a home are the basic aspirations of everyone, the prevailing housing policy seems to compel members of the public to choose between earning a living and building a home. Is the policy going against the trend?

Deputy President, according to the figures provided by the Census and Statistics Department, there are more than 1 million people in Hong Kong who are in a situation similar to that of the young man mentioned just now, that is, earning a monthly salary of \$10,000 to \$20,000, and 730 000 of them are aged between 15 and 44. In other words, these people can only continue to live as "shell-less snails" should their income remain unchanged.

Deputy President, we must understand that people in this income group are precisely the principal human resources propelling social development. Hence,

as a responsible Government, is our Government not duty-bound to address the housing needs of people in this income group and even each and every member of the public?

Hong Kong is said to be a small place with a large population, and there is simply inadequate land for building homes for all the people in Hong Kong. Is it really true? Certainly, it is not. Even Chief Executive LEUNG Chun-ying has once said that the utilization rate of land in Hong Kong is relatively low, with residential land taking up a mere 7% of the land in the territory. Hence, there is still abundant undeveloped land in Hong Kong. In order to enhance the housing policy and address the housing needs of the people, we propose that in addition to exploring land resources, the Government should also, as a feasible solution, expedite the conversion of old districts and increase the number of renewal projects for old buildings.

Just now, I was very pleased to hear Secretary Paul CHAN say that many programmes will be launched one after another. Although removing hills, reclamation, and so on, can still be carried out, it is even more important to expedite the renewal of old buildings. Currently, there are more than 4 000 old buildings over 50 years of age in Hong Kong, with 80% of them situated in West Kowloon. If the renewal of old buildings can be expedited, I believe the market will be able to provide more residential flats in the urban areas. Urban housing is the present need of the people.

In mid-2011, a demand-led project was launched for the first time by the Urban Renewal Authority (URA). Under this project, the URA will offer a price for acquisition within one month after 67% of the owners took the initiative to submit to the URA an application for redevelopment. If 80% of the owners indicate acceptance within two months, the acquisition procedure can begin. Such a top-down approach is conducive to expediting the pace of redevelopment of old districts, thus benefiting more people. Today, many owners have expressed to me their hope for the authorities to expedite the time required for acquisition, expand the scale of acquisition, and improve the living conditions of owners in old districts at an early date, with a view to enabling more Hong Kong people to live in peace.

In Sham Shui Po, West Kowloon, for instance, there are many public housing estates, such as the old Shek Kip Mei Estate, Nam Shan Estate, Tai Hang Tung Estate, Lai Kok Estate, and so on. They will all reach 40 years of age in

10 years' time. Hence, should not renewal planning be made now? Despite the Government's mention in 2002 of a study on land readjustment to be carried out regarding Cheung Sha Wan, Shek Kip Mei and Ho Man Tin, the study came to a halt in the end without a known cause. Just now, I seemed to hear Secretary Paul CHAN say that consideration would be made. I hope the Government will reconsider this in making long-term renewal strategy planning.

In fact, a lot of land lots in the urban areas are left idle. In view of this, the Government should make planning expeditiously. For instance, a plot belonging to the Housing Department has been left idle in Ho Man Tin. Will it be used for the construction of Home Ownership Scheme flats, Sandwich Class Housing, PRH flats or private flats?

In fact, there are many civil servant quarters in the urban areas which warrant early planning by the Government, so that our valuable land resources can be put to good use at an early date. I hope the Secretary can gain a better understanding of the circumstances mentioned above and provide a timetable for the public (*The buzzer sounded*) ..... to let us know when planning and redevelopment will be carried out.

**DEPUTY PRESIDENT** (in Cantonese): Dr CHIANG, speaking time is up. Please stop.

**DR CHIANG LAI-WAN** (in Cantonese): I so submit. Thank you.

**MR TONY TSE** (in Cantonese): Deputy President, in order to solve Hong Kong's housing problem, I agree that it is a task of top priority to enhance and perfect the prevailing land and housing policies. As real estate is Hong Kong's economic pillar and has a significant impact on the people in terms of clothing, food, housing, transportation, the Government must formulate long-term and comprehensive land planning and housing policies which can complement Hong Kong's social development to enable the real estate market to enjoy healthy and sustainable development. Targeting the relevant problems, various sectors of the community have expressed a lot of diverse views. Today, several Members have also put forward many recommendations in the original motion and

amendments. I will support some of these recommendations, but I have some reservations about some others.

In recent months, the Government has introduced a number of targeted measures in the hope of curbing the irrational surge in property prices. Although it is the hope of quite a number of people that these measures can curb property prices or even bring them down, the fall in property prices must not be too large, or else it will cause significant impact on owners and the economy. I believe this is definitely not what we wish to see.

The other day, I raised this question during the Chief Executive's Question and Answer Session: The current high property prices have made it impossible for many middle-class and professional people to buy properties and even harder for young people to acquire their homes, will the Chief Executive adjust the prevailing subsidized housing policy? Although the Chief Executive did not give a clear reply at that time, I still hope that, in addition to increasing the supply expeditiously, the Chief Executive and the Secretary can seriously review the prevailing subsidized housing policy to provide a subsidized housing ladder for people with different incomes, so as to raise the rate of home ownership in Hong Kong.

In the financial analysis, however, if land supply is not increased, the notion of increasing the supply of residential flats will only become castles in the air and property prices will only continue to rise. In order to increase land supply, there must be suitable land. Hence, members of the public should support the Government allocating land resources properly, including converting non-residential land for residential purposes, thereby increasing the supply of residential flats in the territory. With an increased supply of flats, corresponding adjustments will naturally be seen property prices, thus enabling the property market to develop in a stable manner again.

In fact, one of our neighbours, Singapore, has once gone through the painful experience of its citizens being unable to afford to buy properties. With the passage of a condominium policy, the Singaporean Government managed to resolve the housing problem faced by the majority of Singaporeans. As a result, the rate of home ownership has reached more than 90%, with 80% of home owners being condominium owners. In order to achieve the goal of providing low-cost housing for low-income earners, the Singaporean Government imposes

strict control on land resources and allocates abundant financial resources to complementing the operation and development of condominiums. Not only are concessions offered to buyers of condominiums, the sale prices of condominiums are also based on the income level of the people. Speculation of condominiums is also strictly restricted by legislation. Furthermore, a number of policies and initiatives have also been launched by the Singaporean Government to help people acquire homes. Although Singapore's practice might not suit Hong Kong, I believe it merits our reference and study in many aspects.

Deputy President, regarding the proposals put forward by Mr WONG Kwok-hing in the original motion on increasing the production of PRH, youth hostel units and sandwich-class PRH units, although I support them in principle, I hope the Government will not be bound by hard figures. Instead, it should apply flexibility and respond to new developments whenever necessary.

While I support the proposal of explaining to members of the public the status of the land reserve, I think that the proposal of reinstating rent control, which is like drinking seawater to quench thirst, cannot address the problem at root, as rent control cannot really protect the interests of private housing tenants. On the contrary, it will cause the number of rental units on the market to decrease. Furthermore, I have reservations about the proposal of encouraging young family members to live with their elderly family members to enable them to receive better care.

I hope the problem faced by Hong Kong people who cannot afford to buy properties can be resolved expeditiously, and the key lies in whether the Government can adopt resolute and effective measures and a multi-pronged approach by increasing the supply of land and residential flats on the one hand, and providing targeted assistance measures for people of different income levels on the other, with a view to resolving the people's home ownership problem.

Deputy President, I so submit.

**MR POON SIU-PING** (in Cantonese): Deputy President, with a population density of 6 540 persons per sq km, Hong Kong is one of the most densely populated regions in the world. Furthermore, if the 400-odd sq km of land in the



country parks is deducted, Hong Kong's population density will even rise to more than 10 000 persons per sq km. The concentration of a large population in a small area in Hong Kong is thus evident. The SAR Government has all along failed to properly address the housing problems faced by Hong Kong people. Despite its emphasis that property prices must remain stable, the prices of properties have never been stable in Hong Kong. Instead, property prices have only experienced polarization between a plunge in times of an economic crisis or a surge afterwards, thereby leading to confrontation between two social strata, that is, property owners and non-property owners. With the passage of time, this confrontational divide is becoming wider and wider. What is more, the Government is like treading on thin ice in formulating its housing policy. On the one hand, it must curb property prices to give shell-less snails an opportunity to acquire their homes, and on the other, it is worried that property prices will fall and cause discontent among property owners.

(THE PRESIDENT resumed the Chair)

Today, Honourable colleagues in this Council have proposed a wide range of measures to arrest the spiral in property market. Among these proposals, some have been advocated by Ms LI Fung Ying, a former Legislative Council Member and a member of the Federation of Hong Kong and Kowloon Labour Unions (FLU), such as the provision of tenancy allowance for tenants on the Waiting List, and some others were included in my electoral platform and implemented by the Government recently, such as the stamp duty. I believe the SAR Government will definitely make reference to Members' proposals in formulating its housing policy. Here I would like to make more recommendations for consideration by the Government.

In principle, I agree with the remark made by the Chief Executive when he attended the Question and Answer Session this week, that there is a need for long-term land planning to be discussed extensively in society. According to the Chief Executive, the first round of consideration and preparatory work has begun and this Council and society will be consulted in due course. Nevertheless, overall land planning in Hong Kong is a major issue involving the interests of different strata and ways to make the consultation effective and interactive in a healthy manner. It is not easy to avoid intensifying the internal split in society.

I hope the Chief Executive can deal with this matter with prudence and refrain from forcing his way through.

During the discussion held last week by the Legislative Council Panel on Transport on the Mass Transit Railway (MTR) fare adjustment mechanism, a number of organizations, including the FLU, expressed the view that proceeds from the superstructures above railway stations should be factored into the fare adjustment mechanism. If consideration is given from the perspective of housing demands, these superstructures are developed by the MTR Corporation Limited (MTRCL) with government subsidy. Hence, the Government should have more say in the type of housing to be developed. During the period just passed, these superstructures were developed by the MTRCL into super luxury flats. As these flats are not affordable to the average middle-class people, they are not helpful to resolving the housing problems faced by the public at large. It is incumbent upon the MTRCL Board of Directors, which comprises the Secretary for Transport and Housing, the Director of Accounting Services and the Commissioner for Transport, to properly screen the development of the MTR superstructures. It must not turn these precious superstructures into luxury flats which are flashy but without substance and beyond the purchasing power of the middle class, otherwise it will not help resolve the housing problems confronting Hong Kong.

President, I so submit.

**MR CHARLES PETER MOK** (in Cantonese): President, that housing problem is the social problem of the gravest concern — to the people of Hong Kong is indisputable. The original motion of Mr WONG Kwok-hing and the amendments proposed by a number of Members have explained the relevant background and measures, ranging from land supply, public housing policy, rent allowance to the measures to cool the overheated property market. I would say that they are very comprehensive.

I would like to consolidate the basic views of The Professional Commons. We believe that land supply is a key factor in ensuring stable housing supply. Hence, we consider the SAR Government has recently taken the right step in agreeing to discuss land policy in open, for this will allow society to grasp land

information accurately. If the authorities would take the further step of implementing the regular sale of land, it would ensure stable supply in housing.

However, the information on land reserve announced by the Development Bureau recently has brought greater confusion and revealed a shrinking reserve. Among the idle sites announced by the Government, an overwhelming majority of them has been left vacant for several years, yet the Development Bureau stated that more time would be required for technical assessment before the development potential of these sites could be determined. What are the authorities doing? Moreover, many members in society and the media have noticed that sites for residential development and vacated government quarters are not included in these potential sites.

On the contrary, concerning small houses in the New Territories, the Government has reserved 933 hectares of land for "Village Type Development", which is far greater than the land required to meet the approval of small house applications in each of the next five years — even up to 2047 — as estimated by the Development Bureau two years ago. We do not understand how the Development Bureau has come up with this figure. The projection of the authorities is ambiguous and unclear. Despite the shortfall of land reserve for other purposes, the land reserve for small houses is excessive. No wonder the public have become discontented with the privilege of indigenous inhabitants. Hence, we hope that the Development Bureau will compile the list in a comprehensive and serious manner.

Concerning housing supply, we had proposed to the Chief Executive candidate back then an initiative concept similar to "Hong Kong property for Hong Kong residents". Also, we had suggested the Government to consider levying a property vacancy tax on premises completed for two or more years but still left vacant and a capital gains tax for property resold within a short period, as well as the resumption of the construction of HOS flats.

President, I would like to spend the next few minutes to express our views on the BSD introduced by the Government to adjust and control the property market. Recently, a number of friends from the information technology industry have expressed their concerns to us.

To ensure the diversified development of Hong Kong economy and the competitiveness of various industries, particularly the innovative and technology industries, it is necessary to maintain and secure the free flow of talents, so that talents from all parts of the world will come to work and settle in Hong Kong. All along, the admission schemes for talents and professionals have been the significant measures on this front. However, the introduction of the BSD will greatly increase the cost borne by these people, as well as others coming to Hong Kong for work and living, or even settlement. Since they have to endure the exorbitant rents in the long run, this will lower Hong Kong's appeal to talents and professionals. This situation will soon affect the competitiveness of the innovative and technology industries of Hong Kong, and even the financial industry.

Hence, we propose that the Government should consider waiving the BSD for the first residential property bought by persons or families entering Hong Kong under the admission schemes for talents and professionals. At the very least, the authorities should set an exemption criterion for people working in Hong Kong long term, such as exemption for persons having worked, paid tax or resided in Hong Kong for three years, so that they are fairly treated. The exemption will spare these talents welcomed and needed in Hong Kong from paying additional expenses to stay in Hong Kong, and avoid causing the feeling of being discriminated.

Meanwhile, the BSD introduced will first target residential flats, and the Financial Secretary has stated that the situation of shops will be addressed later. However, the overheated market for industrial and commercial premises has brought increasing pressure to bear on small and medium enterprises (SMEs) in terms of their rentals. Thus, the Government must attach importance to the issue. Indeed, companies in various trades and industries, particularly the newly established innovation and technology companies of small to small-and-medium scales and other SMEs, have been hard pressed by the spiralling rents. When the Government "kicks" the speculators to the industrial and commercial building market, has it considered the impact it will impose on SMEs and the employment market? The Government may think that it will help the public to purchase their own homes, yet it turns out that they will be left with no job and no money, let alone purchasing their own homes.

President, I so submit.

**DR LAM TAI-FAI** (in Cantonese): President, the Member's motions of the past three weeks were all related to labour issues, including standard working hours, universal retirement protection and raising the minimum wage level. Therefore, when I learnt that Mr WONG Kwok-hing would propose an original motion today, I thought that his motion would again be related to labour issues and therefore, I would have to explain at length the internal troubles and external problems facing SMEs at present. I hoped that he would stay his hand by refraining from imposing an even heavier burden on SMEs, lest salt would be rubbed into their wounds. Little did I expect that after reading the original motion carefully, I found that it was not related to any labour issue. I really have to thank him. Maybe he also appreciates the difficulties facing SMEs.

President, Mr WONG's original motion today is closely related to the 7 million residents in Hong Kong. The problem of housing is the most serious one among the numerous problems of Hong Kong. The everyday lives of all Hong Kong people, no matter to which class they belong, all revolve round this issue and it also makes Hong Kong people feel very troubled and worried.

President, we all know that at present, property prices are soaring constantly and the Government has also said that the present trend in property prices is running counter to Hong Kong's economic trend. The public's housing expenses account for more than half of their incomes. Coupled with the inadequate supply of housing, the situation in which members of the lower class do not know when they can move into public housing and members of the middle class not knowing when they can buy their own properties has arisen. Local tycoons are not in a position to compete with those from the Mainland because the latter pay for their luxury properties in a lump sum.

President, the present state of the property market and the grievances and worries of the public have fully exposed the fact that currently, the Government is totally clueless about what to do in the face of the prevailing housing problem. Therefore, it is most timely for Mr WONG to propose this motion today and I also hope that the Government can seize this opportunity to listen to Members' views carefully, so as to pool collective wisdom. Of course, the Government can decide by itself whether or not to take them on board.

President, today, I will abstain on the original motion and most of the amendments. This does not mean that I do not agree with the views expressed therein, nor does it mean that I think the views proposed therein, such as "LEUNG's ten strokes", would not be effective. Quite the contrary, I think that if we want to solve the problem, we have to find out the root causes of the problem first, then hire experts to formulate and implement a new plan underpinned by new thinking.

President, I believe that if the public want to buy their own properties and make plans for their lives, they would surely calculate how much savings they have and what their repayment ability is before drawing up a plan for home purchase and mortgage repayment. In the same vein, I believe that if the Government wants to formulate a housing policy, it must sort out how much land reserve and how much land for development it has, as well as how much land the plot ratio of which can be changed is at its disposal.

Not only does the Administration have to understand its own strength and asset reserve, it also has to understand the land reserves of other land suppliers (that is, private property developers), assess their supply of private residential units and their timetable for such supply. I believe the two Secretaries here would both agree very much with my comments, that is, it is necessary to know the status of one's own reserve.

President, land in Hong Kong is a public asset and all stakeholders have the right to be informed of the actual situation. On 4 July this year, Mr MAK Chai-kwong said that 952 hectares of land were available for comprehensive residential development. On 23 September, an official of the Development Bureau said that 480 hectares of land remained for comprehensive residential development. However, little did we expect Secretary Paul CHAN to say on 17 October that only 391.5 hectares of land remained.

President, I do not understand why the figures released by the Government can go up and down three times within three months. I think this is somewhat outrageous. Which figure is actually correct and which is wrong? Or is even the Secretary himself clueless about this? If the Government's account has all along been so muddled, this is quite astonishing. If the Government cannot sort

out or keep tabs on the information about its own land reserve, how can it formulate any planning policy or any blueprint for supply?

President, if the Government can tell the public about the supply volumes in relation to public housing units, HOS units and private residential units in the next five, 10, 15 and even 20 or 30 years, or within various time segments in the medium or long term, I believe the public will be able to make plans for their lives according to their own development and financial means by choosing to buy their own property or rent a flat. It is only in this way that they can plan for their own lives and do not have to live in anxiety.

Therefore, I propose that the Government immediately formulate a blueprint complete with timetables, quantities and locations to enable the public to see their future, or at least let people waiting for public housing know clearly when they can move into public housing, so that young people would not be afraid of missing out on opportunities by applying for public housing as soon as they have turned 18 years of age.

In respect of HOS units, I hope the Government can consider introducing the forward provision of uncompleted flats for application by eligible families, so as to put the minds of members of the public with genuine housing needs at ease, or at least let them know that after renting their present flats or "sub-divided units" for a number of years, they will be able to move into HOS units. In this way, they need not feel alarmed by the continual rise in property prices and resort to borrowing money irrationally to buy private residential properties when such properties are put on sale, thus leading a life without any sense of direction.

President, the reason for the general anxiety and overwhelming discontent among the public is that they cannot see any prospect or the future. In addition, the messages in the market are most unclear and confusing, so people are often given the impression that the Government has no more land and will not provide any more housing, thus causing demand to outstrip supply and making people wonder when they can move into public housing or HOS units. All people are like ants in a frying pan, worried that ever higher property prices would make it impossible for them to buy properties and pay off mortgages.

Therefore, I call on the Government to ensure that a clear blueprint that includes timetables, volumes of supply and locations is formulated before it finds ways to solve the housing problem, so that the public's mind can be put at ease. If the public feel at ease, they would naturally support all government policies, including the proposal relating to the North East New Territories New Development Areas.

President, I so submit.

**MR FREDERICK FUNG** (in Cantonese): President, since the subject under debate today is wide-ranging, I will only focus my discussion on two parts: The first being the policy of the Government to extend the secondary market of the Home Ownership Scheme (HOS) to White Form buyers and the second being rent control.

President, I believe all of us know that the former Governor of Hong Kong, Sir Murray MACLEHOSE, in proposing the HOS, intended to provide HOS flats to members of the sandwich class whose income and assets could neither meet the requirements for application of public housing nor enable them to buy private residential units. The most important aim in introducing the HOS was, on the one hand, to enable residents of public housing to buy HOS units through Green Forms, so as to free up public housing units for members of the public on the Waiting List, rather than allowing them to speculate on properties; and on the other, to assist the public — in particular, public housing residents whose children have grown up or whose income has increased for some reasons — in improving their living environment. In addition, through the HOS, the Administration also hopes to induce them to vacate larger public housing units that entail larger amounts of subsidy.

Throughout, it is obvious that HOS units are not linked to speculation or the private market, so the Administration has imposed a number of restrictions on the HOS (in particular, on White Form applications), including purchase restrictions and resale restrictions. Initially, it was stipulated that such units had to be sold back to the Government if they were sold within 10 years but subsequently, this was revised to five years. In the end, after the "left-over" units — I wonder if this kind of units should be called "uncompleted residential flats" or what — were withdrawn from sale, no resale restriction is now imposed.



From the continued relaxation of the restrictions, it can be seen that the Government has the intention of making HOS units more closely aligned with, and even pegged to, the market. To allow members of the public to buy HOS units in the secondary market using White Forms is precisely to throw open the gate, so that speculators can move into the alternative market of HOS flats, which has hitherto been primarily intended for self-occupation since the 1970s.

As the President and Members all know, in the past, under the White Form system of the HOS, the effect of "one party passing the benefit to another" could be achieved. This means that after family A has bought a HOS unit from family B under the White Form system, family B, which has become better off, can make an upgrade by entering and buying a unit in the private residential market. This process pushes the existing households in HOS units into the private market and at the same time, enables White Form applicants to enter the alternative HOS market.

In addition, in the past, under the Green Form system of the HOS, the effect of "one party benefiting two parties" could be achieved. What does "one party benefiting two parties" mean? Members of the public who are public housing tenants can be benefited by buying HOS units under the Green Form system, whereas the original HOS unit owners can reap benefits by selling their units and making a profit. The public housing tenants concerned also make available their original public housing units for families in difficulty and earning a low income after moving into HOS units. Therefore, one HOS unit can benefit two families.

However, the recent policy to extend the secondary market for HOS units to White Form buyers has no merit whatsoever. Instead, problems will arise. The Government did not carry out any consultation for any extended period of time, rather, it introduced the measure as soon as it was announced. On that day, at the meeting of the Panel for Housing (the Panel) attended by the Secretary, Panel members asked the Secretary if he had evaluated the impact of the policy on the market, public housing units and HOS units. In reply, he said no evaluation had been carried out. Since the Government has not evaluated the potential consequences of this policy, why does it want to push it through so rashly? We are not asking the Administration to shelve this policy for good, but just to do so temporarily.

At that time, the Panel also requested the Administration to shelve the policy temporarily but the Secretary refused. Today, the press reported that the Chief Executive said that there was no alternative but to go ahead. Sometimes, I really do not know what has happened to the Government. When it considers a measure to be desirable, it would push it through by all means possible. Are Members really so incompetent and lame that their views are not worth considering at all?

The Administration must not think that such a measure can win it applause and enhance its reputation. The repeated refusals by the Government to listen to the views of the Legislative Council will actually cause ruptures in the relations between them. If the Government does not heed the views of the Legislative Council now, when it introduces other policies in the future, the Legislative Council would not heed it either. What good would this bring?

If we want to introduce appropriate social policies, we have to adopt approaches that all parties — or at least, the great majority of people — consider suitable and appropriate. The Government wants to persuade us. In the discussion on minimum wage, LEUNG Chun-ying called on the business sector to cite figures to convince him why a minimum wage should not be introduced. Today, I will use LEUNG Chun-ying's own words and ask him to cite figures to convince us that this policy measure is correct. To date, however, the Government has yet been able to cite any figure, nor has it carried out any evaluation.

President, the second part of my speech is related to rent control. On 9 July 2004, the Government introduced an amendment to completely lift on a full scale rent control under the relevant legislation. On that day, when the legislation concerned was read for the Third time, I was the only Member who voted against it. Now, Members can see the harm done to the public by the lifting of rent control. Take "sub-divided units", which represent the basic housing standard for the lower class, as an example, two years ago, a "sub-divided unit" with an area of only 120 sq ft in Shum Shui Po, West Kowloon, charged a rent ranging from \$1,500 to \$2,500 but this year, it has risen to between \$2,500 and \$5,500, and some "sub-divided units" of the same size even charge rents as high as \$6,200.

Members can see that the market has failed and can no longer provide such a basic necessity as residential units to the public. I believe that when the market has failed, the Government has no choice but to intervene in a wide array of ways, including the provision of public housing units. However, unfortunately, the former Chief Executive said that only 15 000 public housing units would be built. So far, the Secretary and the incumbent Chief Executive, LEUNG Chun-ying, still have not announced any increase in the supply of housing, rather, only 5 000 HOS units would be provided, so it shows that the Administration only cares about the higher-income classes.

I do not oppose the provision of 5 000 HOS units. However, the Government has not given consideration to the construction of more public housing units, so how is it going to account for this to the public? How can the Government explain this to members of the public who pay rents ranging from \$2,500 to \$5,500 to live in "sub-divided units" with an area of 120 sq ft? Why can the Government not reconsider and review the need to impose rent control?

I think that since the market has now failed, the Government has to conduct a review to examine how to enable members of the public to rent affordable units in the market through rent control. If the Government does not do so, it should offer an "all-in-one package" by building public housing units to provide public housing to low-income families.

I so submit.

**MR CHAN HAK-KAN** (in Cantonese): President, a number of colleagues from different perspectives have commented on the housing problems currently faced by Hong Kong people. From the angle of young people, I would like to say a few words on the impact of the housing problems on them.

President, during a recent conversation between a predecessor of mine and myself, he criticized the young people in Hong Kong for having no ideals and dreams. He said, "A young man without dreams and ideals is no different from a tail of salted fish." Nevertheless, I replied, "It is not that young people nowadays have no dreams and ideals, but how can they pursue their dreams and

ideals when they do not even have a dwelling place, which is the most basic necessity?"

Young people nowadays have seen their precious youth burnt by the current housing problems. They have even reached such a stage that they consider themselves very fortunate to have a chance to be "mortgage slaves", for some "slaves in rental units" are even worried that they cannot afford to pay the rent of "sub-divided units". Hence, "sub-divided units" have become the most prominent problem of the numerous housing problems faced by young people. Meanwhile, the young people's housing problems, including the problem of crowded living conditions, need to be resolved without any delay.

At present, many occupiers of "sub-divided units" simply do not have a shelter of their own. Many of them dare not fall in love, not to mention getting married and raising children. If this situation remains unchanged, I am very worried that young people of this generation will only work hard every day just for getting a roof over their head and waste their entire life, even giving up their dreams, thus becoming the "new lost generation".

President, when you were in the prime of your youth, you should have lots of dreams and wished to take the first step towards your ideals and plans. Apart from the dream of young people to get married and settle down or pursue a great career, I believe that society should give them an opportunity. Youth is short-lived. With the passage of time, they might not have another opportunity again.

Hong Kong is now enjoying an economic boom and rapid social development without any threats of war or natural disaster. The community, especially the two Secretaries, is absolutely in a position to help young people by providing them with ample opportunities to realize their dreams and meet their most basic and simplest aspiration.

Many young people nowadays share the view that the road and pathway that lie before them are getting increasingly narrow, and their ideals might just turn into daydreams. Come to think about this. What would you think if a young man tells you that his lifelong dream is to acquire a home? I feel like I am in Rwanda, Africa because I find that the most basic need has already become an ideal for the young people here.

Hence, I consider the motion proposed by Mr WONG Kwok-hing today very good, and I greatly support it. As Members should have noted, the new-term Government has demonstrated great ambitions after taking office, hoping to solve the housing problems. This is a good thing. Nevertheless, the actions must be swift. Over the years, not only has the construction of Home Ownership Scheme (HOS) flats been halted, the supply of land has also been inadequate. Both property prices and rents have soared to an insane level. People who have no property or not yet got PRH allocation will find it unbearable to wait even one more day.

In order to help the young people, the Government must draw up a comprehensive housing policy to, among others, target their housing needs. Therefore, both the DAB and I have along been campaigning for the construction of more public housing and requesting the Government to review the current eligibility criteria for public housing and, in particular, formulate a more reasonable and fairer waiting and allocation method.

Under the current system, young people are required to get married and raise children before they have the opportunity to get public rental housing (PRH) allocation. However, the actual circumstances tell us that so long as young people are not allocated PRH, they are not in a position to get married, not to mention raising kids. The Government's existing practice is out of step with the actual social circumstances.

Despite my persistent call for the construction of youth hostels, the proposal currently put forward by the Government to build 3 000 youth hostel units can only be described as better than none. The reasons are: First, the number of youth hostel units is inadequate; and second, we must figure out how an effective and reasonable turnover of these 3 000 youth hostel units can be achieved in concrete terms. Do we need to consider whether young people can get PRH allocation after staying in youth hostel units for a period of time? If they cannot get PRH allocation, can they afford to rent a private flat? If they cannot afford to rent a private flat, will flexible arrangements be made when they reach the age of 35 and are required to move out of the youth hostel units? Yet they cannot afford to rent a private flat, so can they continue to stay in the youth hostel units or be allowed to live in other subsidized housing? Otherwise, when

they reach the age of 35 and are required to move out, they might be caught between two stools. What should be done to tackle this situation? Can the Home Starter Loan Scheme (HSLs) be reintroduced to help them?

Hence, the Government must make long-term and holistic consideration in this regard. By "long-term and holistic consideration", I mean a home ownership ladder should be provided to make young people see that their living conditions can be improved as they grow older and work harder. While young people whose financial conditions are better can afford private or HOS flats, those whose financial conditions are less favourable can be allocated PRH within a reasonable period of time. It is imperative for the youth hostel units to converge with public housing, HOS flats and the private market, or else the initiative will not be effective.

In my opinion, the HSLs can also be a means of convergence, so that young people can have reasonable aspirations to upgrade and improve their living conditions step by step.

President, I do not understand why young people should be made to stand the torture for a flat or just a roof over their head. This is not at all healthy for their development. With the housing problems weighing down so heavily on them, how can they make contribution to society wholeheartedly?

A responsible government must not allow young people to become the "lost generation". I hope the Government can listen to the aspirations of members of the public and Members and address the housing needs of young people expeditiously.

I so submit.

**PRESIDENT** (in Cantonese): Members should have heard earlier a loud bang because of a piece glass ruptured. As it is right above the main entrance, Members will please not walk through the main entrance for safety's sake.

**MR ALBERT HO** (in Cantonese): President, the serious blunders committed by the two former Chief Executives, TUNG Chee-hwa and Donald TSANG, in the land and housing policy have attracted most criticisms in terms of administration.

The failure of TUNG Chee-hwa to effectively bring about a soft landing of the property market after the Asian financial turmoil, thus turning many people into negative equity asset holders, was attributed to his poor governance. As for Donald TSANG's most serious problem, he had continued to freeze land supply unjustifiably for a long period of time. As a result, the property bubble had continued to worsen further, and many people today are still plagued by the housing problem. Things like these are very serious blunders.

Today, more than a decade after the reunification, it is surprising that Hong Kong is still dominated by the "three highs" policy — high land prices, high rents, and high property prices. As a result, users find themselves unable to acquire their homes, tenants are made to pay very exorbitant rents, and commercial tenants can even be described as working for property developers because the former are open to exploitation by the latter who can increase rents arbitrarily. The situation of these people is really worse than before.

I recall a casual remark made by LEUNG Chun-ying during the Chief Executive Election, that only 20% of the land in Hong Kong was developed, of which 8% was residential land, hence an additional 1% of such land would be enough to accommodate 1 million people. His remark was really casual. In fact, the land cannot be used entirely for building homes. Besides residential buildings, schools, hospitals, shopping arcades, markets and roads have to be built in a residential area before a community can be formed. It is not as simple as claimed. Moreover, what he has done after taking office appears to illustrate that it is not an easy task to increase land supply, and new land resources must be developed by all means. Does he actually have a holistic plan? I really doubt it very much.

In any case, the Government is duty-bound to reclaim the power to lead land supply. It should stop allowing property developers to take control of the circumstances, and what is more, it should stop conniving at real estate hegemony. It is incumbent upon the Government to revive its long-term land and housing strategy and announce the land reserve regularly to at least inform the community of the supply of potential sites and disposed sites in the coming five years and the respective numbers of disposed sites which can be developed

as residential sites and provided by the Government. Things like these are crucial. It is incumbent upon the Government to prevent land from being left fallow or occupied while land resources are being developed.

Besides, in developing new towns, particularly when land resumption in the New Territories is involved, the Government must adopt a new mindset, balance conservation against environmental needs, and conduct comprehensive consultation. Policies relating to land acquisition, rehousing, compensation, and so on, should be updated and rationalized, too. Things like these are crucial. Given that many units in industrial buildings have already been converted into warehouses, I certainly support conversion or redevelopment of industrial buildings, too.

Just now, when I heard Secretary Paul CHAN's remark about the supply of 2 500 hectares of land in the future, I really thought that Hong Kong would have an ample supply of land — at least in the foreseeable future. However, it is unacceptable to me if the target of the Government is still maintained at an annual supply of 15 000 PRH flats and construction of not more than 5 000 HOS flats over the coming five years. It is incumbent upon the Government to ensure an adequate supply of land to meet the public's housing needs. This should be the Government's commitment, too. The Government should also implement a policy to shorten the waiting period for PRH flats from three to two years and obviate the need for young people, especially young singletons, to wait endlessly for PRH allocation.

I support the construction of youth hostels as well as improving the rent assistance system. The current rent assistance amount falls far short of assisting people in need because the rises in rent are too quick, and the Government's figures are often outdated. Hence, I support the current introduction of interim measures by the Government for the purpose of combating speculation in the private market. Nevertheless, the relevant measures, which are only temporary in nature, cannot achieve long-term effectiveness.

The strength of the "Hong Kong property for Hong Kong residents" policy is inadequate. In order to demonstrate its determination to assist Hong Kong people wishing to acquire their first homes, the Government should require them to comply with the restriction on the period of resale after purchasing the relevant



flats. Furthermore, the supply must be adequate, or else the Government will be unable to manage the people's expectations and curb speculation. Having said that, we oppose the revival of the Home Starter Loan Scheme, especially at the present stage, for the demand will thus be boosted. When the supply is inadequate, the property market will become even more heated.

I approve of restoring the rent control policy. According to the experience gained over the past 20 to 30 years, the policy is proven (*The buzzer sounded*) ..... though it applies only to flats with low rental value.

**MR CHAN KAM-LAM** (in Cantonese): President, housing has always been a complicated issue because property is not only an investment vehicle, but also a daily necessity for the public. Hence, the rise in property prices in Hong Kong is affected by not only supply and demand, but also the general economic development. With the international financial and economic development currently stuck in the doldrums and the repeated attempts by the United States to ease its economic hardships by quantitative easing, the market is awash with hot money. The only outlets for capital are stock markets, foreign exchange markets and property markets, with bricks and mortar generally recognized as the best investment. Not only do property prices in Hong Kong continue to surge, even the real estate market in places around us encounter similar problems. Even in Singapore, where public housing accounts for 70% of the market, property prices increased by 38.1% in 2010 alone. It is evident that the impact of foreign capital cannot be taken lightly.

The introduction by the Government last week of "harsh" measures, coupled with the "nine measures and 12 moves" launched previously, to tighten home mortgages, introduce an extra stamp duty, and so on, are merely short-term initiatives to curb speculation in the market, yet they can still not tackle the relationship between supply and demand in the market. Whenever housing problems were discussed in the past, I had repeatedly emphasized that, insofar as the four necessities, namely clothing, food, housing and transportation, were concerned, there was no problem in skipping one meal, but we could not do without a shelter even for one night. This highlights the significance of housing to people's living.

However, owing to the economic slowdown since 2002, the Government has retreated entirely from the real estate market citing non-intervention as an excuse. Since then, it has been watching the development trend of the property market but refusing to take actions to make any adjustments to it in due course. As a result, property prices have continued to rise, thus exerting heavy pressure on the livelihood of Hong Kong people. The soaring property prices have also resulted in a serious bubble, with the crisis of its burst becoming increasingly severe. Voices of discontent are heard everywhere as people complain of difficulties in acquiring homes, payment of very high rents and difficulties in even keeping their shelters. For all this, the Government's past policy blunders and failure to address squarely the adverse consequences brought about by the housing problems are to be blamed. It is simply impossible for a housing policy to produce an immediate effect, and it takes time for adjustments to be made. If early actions can be taken by the Government, the property market should not have come to this pass.

In the face of high property prices, members of the public are in a quandary. Many people can simply not afford the current property prices, but still they bite the bullet and enter the market for fear that property prices will continue to soar. In fact, the current risk of market entry is extremely high because of the high property prices and low interest rates. A rise in interest rates will result in very heavy repayment pressure. Moreover, a slide in the property market will lead to the emergence of negative equity assets, too. The DAB holds that the Government should review afresh its housing policy, increase the annual supply of public and private housing, and address the imbalance of supply and demand at root with a view to enabling the real estate market to develop in a healthy and stable manner.

We have noted the determination of the current-term Government in resolving the housing problems, and this is worth applauding. However, once the land reserve is made public, people will find that the Government, despite its resolve to do something, lacks the strength and cannot produce results without the requisite resources. The land in Hong Kong which can be developed for housing construction is very limited. It is not at all easy to identify a suitable plot of land in excess of 800 hectares in the North East New Territories (NENT) for development into new towns for 180 000 people. This development project was originally conducive to both the public and Hong Kong. However, the

opposition has used "objection to integration of Hong Kong and Shenzhen" and "protecting agricultural and fishery ecology" as excuses to distort the original intention of the Government in developing the NENT and stall the commencement of the project with malicious intent. They complain of exorbitant property prices on the one hand, but stall the development of new areas with all sorts of excuses on the other. Such an irrational attitude can simply not solve any problem. In fact, five years have already passed since the study commenced in 2005 and the consultation held for the first time in 2008. The project might be delayed for another five years should there be further disputes. Moreover, it takes several years for housing and public facilities to be built. We really have no idea when the people can really move into new towns to resolve their housing problems.

President, some time ago, the Government proposed enhancing the secondary HOS policy to allow White Form applicants to purchase secondary HOS flats without the payment of premiums. This initiative, which has been discussed for a long time and can enable grass-roots purchasers to have one more option in the market in finding a suitable home, was supported by the majority of Members in this Council. Unfortunately, when the Government is really poised to give it a go, it is unreasonably stalled by Members of the opposition camp in this Council who call for it to be shelved temporarily. But what do they mean by "temporarily"?

Concerted efforts are required for promotion of policy and social development. However, no matter what policy is introduced by the Government, some Members will definitely raise objection, make a strong call for withdrawal and make no concessions. This will only lead to internal disputes in society and do nothing at all to address the most fundamental aspiration concerning people's livelihood. What is more, the pace of social development will be stifled, too. I hope those Members who have made impassioned speeches today on solutions to the housing problems can make some concrete efforts and show mercy by actively supporting the Government developing more land for housing construction and introducing housing policies to address the public's housing problems.

President, I so submit.

**MR RONNY TONG** (in Cantonese): President, if the housing problems are as simple as that described by Mr CHAN Kam-lam, I believe we need not have a debate here.

President, whenever the housing problems were mentioned, I would think of the cubicle I used to live in when I was a child. At that time, a cubicle of less than 100 sq ft with a wooden bed and a bunk bed was a shelter for a family of eight. In the 1950s and 1960s, many people in Hong Kong lived in similar conditions. I cannot say that such circumstances were understandable, but at least the voices of grievances were not too loud. Today, however, Hong Kong nearly rivals the 10th wealthiest country in the world. Yet, we still have cubicle apartments, "sub-divided units" and caged homes. Are the problems really as simple as that described by Mr CHAN, such that they can be resolved so long as there is opposition in this Council? Such a claim is actually too simple.

We can note from some figures that during the period prior to the reunification between 1961 and 1997, Hong Kong's Gross Domestic Product (GDP) had increased by 180 times, while per capita GDP had risen by 87 times. However, Hong Kong was ranked sixth in 2011 in terms of disparity in purchasing power, which was even higher than that in the United States. Given such an affluent society, will there be so many insolvable problems simply because of a shortage of land? Do these problems exist simply because the opposition is sitting on this side? Just now, Mr CHAN alleged that we even had to object to the North East New Territories (NENT) project, which could have been the solution to the housing problems. I believe even the Secretary dares not make such an allegation lightly.

The Secretary has publicly admitted that, of the so-called 800 hectares of land, only 167 hectares of land can actually be used for housing construction. These are the figures provided by the Government. Now the Government is prepared to earmark 40% to 50% of the land for the construction of public housing. However, it is merely talking about 80-odd hectares of land and 10 000-odd public rental housing (PRH) flats. The Government has also admitted that there are 391 hectares of land in the urban areas which can be used for housing construction. Such being the case, why should the Government aim at distant goals rather than addressing immediate concerns? The Government has also added that much of the 300-odd hectares of land is unsuitable for housing

construction because the space underneath flyovers and the residence of the Chief Secretary for Administration are included as well. I really do not know that the residence of the Chief Secretary for Administration can be so large. Is it necessary for the Government to make this point clear in advance? Or is it the case that land is actually available but has to be auctioned for the construction of luxury properties or "nailed" by tycoons, and hence it cannot be earmarked for the construction of public housing? We must sort out the truth before we can discuss whether the NENT project can really resolve all the problems.

President, the housing plight confronting us today is the result of the indifferent attitude taken by the Government towards the housing problems over the years. What have the three Chief Executives done in addressing the housing problems over the past 15 years after the reunification? Let us refer to the information provided by the Hong Kong Housing Society. As of March this year, the number of applications on the Waiting List has reached 189 500, 37 000 up from the 152 400 applications recorded during the same period last year. The 10 000-odd units that may be provided under the NENT project, which represent just a drop in the bucket, are not enough to shorten the queue even a bit, not to mention achieving the goal of maintaining the waiting time at three years for PRH. Members already pointed this out a long time ago and the Government was also well aware that "maintaining the waiting time at three years for PRH" was just a lie. How could this be possible? To our understanding, it should be taken to mean that an applicant can open the door of a PRH flat and move in. We cannot say that the goal has been achieved if an applicant is given an option three years later but cannot pick his favoured flat.

The figures also illustrate that, despite the impassioned speech made by Mr CHAN just now in which he described the Chief Executive, LEUNG Chun-ying, as very capable and committed, he has merely undertaken to provide 15 000 flats per annum as soon as possible. Although promises are easy to make, no concrete actions of his have been seen so far. Some government officials have also pointed out in the meantime that though promises are easy to make, it is impossible for construction to be completed within such a short period of time.

What is even more noteworthy is that the cumulative number of singleton applicants, who are aged between 18 and 29 and unable to find a shelter in the private residential market, has reached 45 000, 57% up from the 29 000 applications recorded in the same period last year. President, I am talking about

a surge of 57% within a year. We can thus see that, for this problem to be tackled, things are not as simple as what Mr CHAN Kam-lam has claimed. Otherwise, Members can put their minds at ease. We must tackle this problem from two aspects. First, a long-term and accurate study on the population policy must be conducted to accurately project the housing demands in future. Secondly, the formulation of a land reserve and supply volume must be accurate and made public. Without these two sets of figures, everything is mere empty talk. It is irresponsible to say that all the problems can be resolved easily with the launch of the NENT development project. Even if the short-term demand can be eased, it is definitely not a long-term solution.

Hence, the SAR Government should really step up its efforts to discuss and study the population growth and the supply and demand of land through proper channels before it can begin to see any solution to the problems. Thank you, President.

**MR NG LEUNG-SING** (in Cantonese): President, housing is a long-standing livelihood and economic problem. It is absolutely not something that did not emerge until recent years. Hence, from the historical perspective, some basic figures must be sorted out first. To start with, the population and housing censuses from 1971, that is, 41 years ago, to the present reflect that, of the 1.6 million labour force at that time, some 620 000 people lived in cubicles, 50 000 people lived in makeshift squatter huts, and another 27 000-odd people lived in rooftop structures, basements, storerooms or even corridors. The situation back then was most deplorable. In retrospect, the situation could be described as extremely poor and unimaginable in those years. After 1973, the then Government commenced a 10-year housing construction programme, developed new towns and built massive public housing. In 1980, the first batch of Home Ownership Scheme (HOS) flats was launched onto the market. Meanwhile, property developers launched a massive development of major housing estates, such as City One Shatin, which was one of Hong Kong's unique features. What is the situation today? According to the Policy Address unveiled in October last year, 47% of the households lived in subsidized flats, including 730 000 public rental housing (PRH) tenants and 380 000 tenants of HOS flats or Sandwich Class Housing. The remaining 53% of the households lived in private buildings, with 870 000 living in privately-owned properties and

370 000 in private housing. These figures show that substantial resources have been injected into solving the housing problems.

A major set of figures was also mentioned in the Policy Address, and that is, there were 2.6 million residential units in Hong Kong accommodating 2.35 million households. These figures reflect that surplus flats were actually available. But why would property prices continue to rise? Hence, the relevant responsible authorities should grasp the actual circumstances in concrete terms before they can prescribe the right remedy. Otherwise, it is just like administering wrong medication, which will only lead to adverse consequences.

Housing is a segregated market. It is not difficult to find from looking up the figures that during the period just passed, there was an obvious mismatch between the supply and demand of small-sized residential flats. The growth rate of households between 2001 and 2011, which stood at 14.1%, was higher than the overall population growth rate of 5.4% during the same period due to the rising number of small-sized households. This trend has resulted in the rising demand for small-sized flats. However, during the period from 2009 to 2011, the completion ratio of this type of flats was a mere 52.6%, lower than the 74.5% recorded from 2000 to 2008. This explains why during the period from 2006 to 2011, the prices of small-sized flats rose by 99.9%, or almost doubled, which was higher than the 78% rise recorded for large-sized flats. The situation this year is no exception. As a result, the impact on middle-class households is substantial. In view of this, it is indeed incumbent upon the Government to lead property developers to increase and concentrate on the construction of small-sized flats.

Furthermore, according to the documents submitted by the Transport and Housing Bureau, there has been a fall in the ratios of short-term speculation and non-local buyers during the first nine months of this year. But still, we can still see a 20% rise in the overall property prices. It is thus evident that, under the current low interest rate environment, local users alone have enormous potential demands, thus pushing up property prices. In order to arrest property prices from rising further, the only fundamental solution is to reasonably increase the supply. As for the SSD, tightening the loan-to-value ratio, and so on, they are merely short-term initiatives which can hardly be used as permanent solutions. Once the market stabilizes, such initiatives should be scrapped. From our recent experience, curbing the demands can generally achieve short-term results only.

Once the pent-up demands explode, the impact on the outlook of the market will be even greater.

We can tell from all this that currently the number of flats is higher than that of households, which implies that some flats are left idle. The Government should take measures to channel these vacant flats into the rental market to relieve the demand. The relevant measures may even include increasing costs for hoarding vacant flats.

Housing policy is a long-term issue, which should be tackled with more effective medium- and long-term measures. For instance, a 10- to 15-year rolling programme should be launched and subject to regular reviews and adjustments. Only through a clear and transparent long-term supply policy can a persuasive message of an ample supply be transmitted to the market before people can rest assured. The Transport and Housing Bureau disclosed in a document submitted in October this year that a long-term housing strategy consultation paper would not be unveiled until around mid-2013, and a three-month public consultation would follow. I wonder if it is more appropriate to put this into practice early, or else it might be too late to take any action.

President, besides providing accommodation, housing is also an investment to fend off inflation in Hong Kong. For many middle-class people, it might even be their lifelong asset. Hence, the Government's housing policy should aim at stability, so that members of the public can purchase properties and live in them with peace of mind.

President, I so submit.

**MR ALBERT CHAN** (in Cantonese): President, I do not know whether I should be mad at or amused by the argument advanced by Mr CHAN Kam-lam just now to criticize the pan-democratic camp for standing in the way of flat production. If I should laugh, it is Mr CHAN Kam-lam who should be ridiculed. I still recall the strong support expressed by him when the so-called "SUEN's nine strokes" were unveiled years ago. Now, thanks to "SUEN's nine strokes", Hong Kong currently faces such a serious housing problem, a short supply of both PRH flats and private buildings, and skyrocketing property prices and rents. As for the



problem of waiting for PRH allocation mentioned by a number of Members, there are currently more than 100 000 people on the Waiting List, and some have waited for 10 years but still not got PRH allocation. As a member of the Housing Authority (HA) for years, he is solely responsible for this problem. Why has he, being a member of the HA, not monitored the Government in expediting PRH production, so that members of the public can "get PRH allocation" expeditiously? Despite his dereliction of duty and failure to exert his utmost to fulfil his duty, he has misled members of the public with some specious arguments. Hence, I have to ridicule this kind of political scoundrels or politicians.

To a certain extent, President, Hong Kong's housing problem is a structural problem and probably, as pointed out by Premier WEN Jiabao, a deep-rooted problem, because housing *per se* carries multiple roles, values and social functions. I have often mentioned the MACLEHOSE's era in 1976 when social policy embraced four major pillars, with housing being one of the pillars to stabilize the entire society. Hence, the HA drew up a 10-year housing construction programme at that time to give us a clear idea about the way forward. But now, it is disappearing slowly. Even a five-year programme, not to mention a 10-year one, is nowhere to be found. Therefore, a concrete role is now lacking in the formulation of policy.

However, housing is not only a necessity for the public at large, it is also a crucial component of the financial structure and development in general. In some studies which saw my involvement several years ago, some economic experts pointed out that in Hong Kong's economic structure, 60% of the businesses were directly or indirectly related to housing, including flat production, property transactions, property management, and so on. All in all, 60% of the economic activities in Hong Kong were directly or indirectly related to housing. Hence, should there be any unusual movements in the property market, the financial market will be shaken and affected. This explains why some people often say that members of the public will catch a cold immediately after a property developer sneezes.

Since housing is a crucial socio-economic component, coupled with the fact that it is closely related to and pegged with the daily necessities of the public, the basic housing needs of the public at large, especially the grassroots, will very often be sacrificed in order that economic and financial needs to be met. To put it directly, in the interests of major property developers, financial hegemony and real estate hegemony, the Government turns a blind eye to the interest of the

public at large. Owing to such a tilt in policy and class, the rich and powerful, especially those in the political circle, will definitely live in the Mid-Levels, and so will those in the working class. Everyone involved can thus make enormous gains when the general situation improves, but the ordinary masses have to sleep on the streets.

The existence of such a tilt in the entire system is precisely to be blamed for the various problems currently found. Everything is related to political manipulation. It is actually not difficult to really tackle the housing problem, for only basic arithmetic is involved. Depending on the size of population and needs, the number of flats to be built can be determined. Even a primary student knows how to solve this mathematical problem. But why does the Government not do this? It is precisely due to its bias in values and interest. The Government just needs to draw up a population development policy to project the social circumstances in the next 10 or even 20 years and then, based on the projection, calculate the required flat production volume.

Over the years, I have been proposing that the Government should draw up a 10-year rolling housing construction programme, to be complemented by a 10-year rolling land supply programme. As the two rolling programmes complement each other, we can clearly tell the annual land supply and flat production for the coming 10 years. A development or planning department must identify land and draw up the required development programme to meet the relevant demands having regard to the 10-year rolling period, with a view to ensuring housing supply. It worked in the past, be it the 1980s or the 1990s, until the suspension of the housing construction programme as a result of "SUEN's nine strokes". The sudden halt of all initiatives has resulted in such catastrophic impacts caused by the housing problem.

An even bigger problem now is that the government officials in charge of housing and land development are basically laymen, but they are tasked with leading professionals. Paul CHAN, who comes from the accounting field, is now in charge of development, land and planning affairs. This is simply a disaster. Furthermore, having a transport and housing official who switched trades so late in his life, who has betrayed the pro-democracy camp, and who is an opportunist not daring to vindicate the 4 June Incident will only lead us to yet another dead end.

Hence, there is a lack of professional leadership in the upper echelons of the Government. Coupled with the structural bias and the failure of some political scoundrels occupying the seats to fight for the public, members of the public might need to launch another "shell-less snail" campaign to champion for their interests. They should switch to camping in Central rather than Pui O! The Occupy Central movement should be initiated by "shell-less snails" until the Government can satisfy the public's housing needs.

**MR SIN CHUNG-KAI** (in Cantonese): President .....

(Mr CHAN Kam-lam stood up)

**PRESIDENT** (in Cantonese): Mr CHAN Kam-lam, what is your point?

**MR CHAN KAM-LAM** (in Cantonese): Mr Albert CHAN said that I as a member of the Housing Authority (HA) had failed to instruct the Government to resolve the housing policy problem. I must clarify however that I have ceased to be a HA member years ago. Moreover, I have clearly stated in my speech just now that the Government has since 2002 retreated from the market due to the falling property prices and market .....

**PRESIDENT** (in Cantonese): Mr CHAN, your speaking time is up, and you should not respond to the speeches delivered by other Members.

**MR CHAN KAM-LAM** (in Cantonese): President, I was not responding to his speech.

**PRESIDENT** (in Cantonese): If you think that the content of your previous speech has been misunderstood by the Member speaking right after you, you may make clarification. However, you cannot clarify what you are talking about at the moment. Please sit down.

Mr SIN, please continue.

**MR SIN CHUNG-KAI** (in Cantonese): President, there are only but two ways to deal with the housing problem, namely curbing demand and increasing supply. The SSD, introduced by the Government two weeks ago, was evidently a way to curb demand. As this measure, relatively speaking, is only focused at curbing the speculative and investment incentives and will not deal any serious blows to demands for owner-occupied homes, we think that it should be supported.

In finding ways to curb the investment or speculative incentives, the Government can play a more important role, give more consideration to, or even introduce measures like issuing purchase restriction orders, if necessary. As regards to this issue, I think the Government need not have any fears. It may be worried that the Heritage Foundation will once again lower Hong Kong's economic freedom (rating), but as things have come to this pass, we must be concerned about our own problems. In the global environment, if a small place like Hong Kong fails to adopt any countermeasures, it will cause us serious harms. The implementation of purchase restriction orders can be targeted at non-Hong Kong residents or even certain newly constructed buildings. I think that the Government should be more decisive and fully implement the "Hong Kong property for Hong Kong residents" policy when necessary.

The Government can actually do more about the management of housing supply, and we support the idea of building more PRH and HOS flats. In this regard, the Government should now consider reintroducing the sale of PRH units, for this has been proven to be a very popular policy. We also understand that the officials of the Housing Department may say that this measure will cause many management problems when Secretary Prof Anthony CHEUNG brings up this issue. We appreciate their concern and agree that the problem should be solved, but the popularity of the policy should not be dismissed for this reason. If certain PRH estates can meet the requirements of the PRH sale scheme, then 70% to 80% of the residents will often consider purchasing the units in which they are living. In this regard, the Government should consider how to solve the management problem once and for all and boldly reintroduce the sale of PRH units, so as to meet the demands of PRH residents.

President, the implementation of certain measures, such as the Starter Loan Scheme (SLS), must be given very careful consideration. We do not say that we are totally opposed to the policy, but it is obvious that the introduction of such a scheme at a time when the property market is overheated will increase demand and aggravate the problem worse. There was a time when we suffered from such consequences, under which home buyers became negative equity asset holders when the property market took a turn for the worse. Therefore, although the Government does not have such plans at the moment, it has to consider the matter carefully, and even if it really wants to implement the SLS, it should only do so when there is a surplus flat supply, and it may only then be appropriate, otherwise, the Government will just add fuel to the fire and do a disservice out of good intentions.

Similarly, I believe that it was also due to the same reason that last week a colleague requested the Government to temporarily shelve its plan to allow White Form applicants to purchase HOS flats without premium payments in the secondary market at a meeting of the Legislative Council Panel on Housing, of which I am not a member. The Chief Executive has just issued an email to explain why the policy could not be shelved and indicated that the measure would facilitate the circulation of housing units. However, the question is whether the circulation of units will actually be facilitated as a result of the increase in demand? Perhaps it will, for prices have been pushed up, but those who really want to acquire homes will suffer losses even before the benefits of the policy become evident, for the prices of HOS flats have risen a lot due to the increase in demand after the policy was announced and some people said that prices have already gone up by 20%.

President, as regards the issue of supply, the Government should also humbly review whether certain old facilities, such as former government quarters, vacant school premises and long-abandoned GIC lots could put up for regular auctions at an earlier date? We should set up a package of enhanced land auction measures and a supply system.

Furthermore, there is also a tax-related matter, and that is, the home loan interest deduction scheme which is currently in force. As it is now very difficult to acquire a home, should consideration be given to extending the coverage of a similar plan to tenants of private rental housing who do not own any properties, so as to assist them? Though this policy may also lead to an increase in demand, we are not being self-contradictory for the home loan interest deduction scheme

has been implemented for a long time, and some members of the public may think that since the Government has offered tax concessions for people who have acquired homes, it would only be fair for it to consider introducing a similar scheme for people who live in private rental housing.

Finally, I would like to talk about the issue of rent control as proposed by Mr LEE Cheuk-yan. The position of the Democratic Party was stated in Mr Albert HO's political platform when he ran in the Chief Executive Election, the contents of which are as follows: to review the Landlord and Tenant (Consolidation) Ordinance. For example, in order to offer protection for low-income, elderly and chronically ill tenants who rent premises in old buildings, so that the grass-roots tenants will not be effortlessly evicted by landlords or suffer from annual rent increases, rental units with ratable values below \$60,000 should be subject to rent control.

President, the Democratic Party holds that the formulation of a long-term housing policy is a good thing, but at present, measures must be taken to expeditiously increase housing and land supply, so as to meet the demands for home ownership. I so submit.

**PRESIDENT** (in Cantonese): It is now 9.35 pm. As I reckon that we can conclude this debate before midnight, I shall not declare suspension of the meeting 10 pm. The meeting shall continue until all businesses on the Agenda are concluded.

**MR ANDREW LEUNG** (in Cantonese): President, the housing problem is an issue which is most personal to members of the public, a keen concern to them. The Business and Professionals Alliance for Hong Kong and I are very much concerned about the issue and support the Government making a full-scale effort to address the housing needs of the people. However, in order to solve the problem, we must start with the fundamental, and as many colleagues have said, the crux of the problem lies in land supply, so this must first be dealt with before property prices can be relieved.

I have gone through the paper on available residential lots, which the Government submitted to the Legislative Council, and it seems that it does not

have a very clear idea about how much land it has got. It was initially announced in July that there were 2 153.7 hectares of vacant residential government lots, but the Secretary for Development personally indicated in September, that excluding the land designated for village type development, only 480 hectares were available, and as indicated in the figures published by the Government on vacant residential government lots last month, it has only got 391.5 hectares of residential lots in reserve. But the media revealed that the figure had been seriously "inflated", for according to an evaluation made by professionals, only about 150 hectares of land were available for the construction of 115 000 units which could only last us for two years, after excluding lots that were not suitable for development and making various adjustments.

President, when a thing is in scarce supply, it becomes precious. Since the market cannot see that the Government will have the ability to increase our land supply in the next several years, people are very afraid that they will be unable to acquire homes and have fought hard to enter the property market, despite the great difficulty. The price of a new property development in Yuen Long, which has recently been put up for sale, has reached the record high of \$10,000 per square foot, so how is the Government going to solve the problem of high property prices? The Government has been fully aware of the truth that land must first be available before houses could be built. As such, we have made various suggestions over the past years, with the hope of increasing the supply of residential land. I think that the Government should seize the opportunity of the current public awareness of the shortage of existing land and once again lead society to explore ways of increasing its supply, which includes the much talked about proposal on the reclamation of land outside the Victoria Harbour, development of rock caverns to release more land, reviewing the feasibility of changing land under green belt zoning as residential use, speeding up the vetting process for change of land use applications, and increasing the number of completed residential units through urban renewal. In fact, the supply of residential units can also be increased in the short run by converting industrial buildings into residential buildings.

Many people hold properties in the name of companies in Hong Kong, which is legal, and a great number of the properties are self-occupied, whereas many small-and-medium enterprises (SMEs) and overseas companies have also purchased residential properties for use as staff quarters. As such, the implementation of the new government policy is tantamount to requiring those

who have acquired properties for self-occupation purposes, even if such properties are held for long periods, to pay an additional 15% duty. Many local enterprises (such as restaurants) also own properties, for such properties could be used as staff quarters on the one hand and mortgaged to the bank to secure financing on the other. The new government measure may directly cause a 15% drop in the value of such properties and the bank valuation of the properties owned by the SMEs may also be lowered by 15% when there are any signs of trouble, thus adversely affecting SME financing.

President, the open and free economy model of Hong Kong was the foundation of our success in the past, and people who came from all parts of the world to do business in Hong Kong were accorded the same treatment, so that everyone had to compete in the same fair environment, the level playing field which we have a high regard for; and under this principle, no one would be subject to discrimination because they are not Hong Kong people. However, overseas buyers and companies will have to pay more in stamp duty under the new policy, and this is a form of discrimination in disguise. While it is a good thing for the Government to curb property prices in the market, I think it is rather unwise for it to undermine Hong Kong's free market status.

Finally, President, I would like to remind the Government that it should find the right cure for the problem and that indiscriminate measures may harm the status of Hong Kong as the world's freest economy which it has striven hard to build. Furthermore, we should not underestimate market forces, and it may actually not be effective to intervene in such an enormous market. Currently, countries all over the world have been indiscriminately printing money to deal with their own financial crisis, thus resulting in an abnormal supply of funds in the market. For many people, property investments have become the best option to hedge against inflation and self-preservation. If the sole measure of increasing tax were adopted to crack down on "property speculations" without solving the problem of land supply, then property prices might collapse anytime once the intensity of the tax increase becomes too great, thus repeating the history of negative equity assets, and plunge the 1.2-odd million households of homeowners in Hong Kong into predicament. I hope that the Government can have a clear idea of the situation and do more on expeditiously solving the problem of residential land supply shortage.

President, I so submit.



**MR VINCENT FANG** (in Cantonese): President, I voted for the motion on shelving the policy recently introduced by the Government on the sale of Home Ownership Scheme (HOS) flats to White Form applicants without premium payments at the meeting of the Panel on Housing held on Monday. Some people felt puzzled by my attitude, so I would like to take the opportunity of today's motion debate to make an explanation.

The main reason is, firstly, as many colleagues have said, the key to solving the current problem of difficulties in owning a home in Hong Kong lies in supply, including the supply of land and housing units. However, there are only but two ways to bring about a drop in prices, one of which is to increase supply, or decrease demand. Currently, there is still a great demand for properties in Hong Kong, therefore, in order to alleviate the existing difficulties of acquiring homes and cool down property prices, there must be an increase in supply. But unfortunately, apart from allowing members of the same group to gain benefit from each other, the abovementioned proposal will do nothing to increase supply.

Secondly, what is the basic idea for building PRH and HOS flats? It is to, in the form of subsidized rents, help people with weaker financial capabilities to live in PRH flats, which serves as a first transit station, and offers PRH residents an opportunity to accumulate wealth, so that they can then move onto the HOS or even private housing markets. It is also hoped that these residents can eventually release their PRH or HOS flats, thus bringing into full play the functions of PRH and HOS housing.

However, the current situation is, the prices of private housing have soared out of control, thus resulting in a considerable difference in prices from that of HOS flats. As such, how can HOS flats owners afford moving to private housing flats? Therefore, the Government's ideal of helping more people with low financial capabilities to acquire homes cannot be achieved by means of this measure. So, what is the point of introducing such a measure? Is it to narrow the price differences between HOS and private flats, or to add fuel to the fire by increasing property prices which are already unreasonably high in the residential market?

The difficulties of acquiring a home in Hong Kong cannot be alleviated by a single measure, for there are figures showing that the number of developed residential units in Hong Kong is far lower than the market demands over the past 10 years, with an even lesser supply of flats in the urban areas. As such, the Liberal Party and I hold that a package of measures has to be implemented before results could become evident.

However, what the most important point is to tackle the issue at root. In the long run, Hong Kong must develop more land for construction, for if everyone refuses to accept "screen-like buildings", and if old buildings have to be conserved, then how can the supply of residential flats be increased under such circumstances? The only way is to develop new towns, and such an urban development model is not unique to Hong Kong but also adopted by countries all over the world. If Hong Kong did not develop Sha Tin, Tuen Mun, Tseung Kwan O and Tung Chung in the past, I am sure that our living conditions today will have been even worse and property prices will have become even higher.

After all, the development of new towns cannot solve our immediate problem, and in order to achieve effective and sustainable results, there is a need to formulate short-term measures. Although many colleagues have proposed to increase the supply of PRH flats, many young people are willing to earn lower wages in order to wait for PRH due to difficulties in home ownership. I am inclined to support the Government's proposal on building youth hostels, which offer rental accommodation for young people at below market level rents for five years and allow them to save up for downpayments. The concept of this proposal is actually similar to that of the "interim housing" proposal made by the Liberal Party two years ago. This proposal will not only encourage young people who have freshly graduated from universities and offer them development opportunities, but also reserve PRH flats for those who are really in need, in particular, the elderly.

However, as youth hostels will not be available until 2015 at the earliest, the way to increase market supply in the short run is to revitalize industrial buildings, as proposed by Mr Michael TIEN earlier, through granting approval to convert the usage of better quality industrial buildings into residential buildings, so as to offer an immediate supply of urban residential units in the market. Hence this will definitely help a group of people to "acquire their first homes". However, if the proposal were accepted by the Government, then this will

definitely be labelled as "collusion and transfer of benefits between the business community and the Government". However, may I ask which country in the world has not ridden out the storm during economic and social downturns through co-operation between the Government and the business community? As such, in order to solve the problem, I hope that we could set aside our prejudices and do something for the benefit of Hong Kong.

With these remarks, President, I support the original motion and Mr James TIEN's amendment to the motion.

**MS STARRY LEE** (in Cantonese): President, the housing land policy has always been a top priority of the HKSAR Government's governance, and the political crisis and consequence which may be brought about by mishandling of the policy should not be overlooked. As the saying goes, past experiences, if not forgotten, is a guide for the future. We still have a vivid memory of the negative equity assets storm that emerged in the wake of the financial turmoil which coincided with the pledge to produce "85 000" housing units per year. In recent years, as a result of the prevailing ultra-low interest rate environment, inadequate housing supply and strong housing demands of both Hong Kong and non-Hong Kong residents, there is a serious shortage of housing supply and the rate of the property price hike has become out of tune with people's affordability. As such, the Government has gone back to the era of launching comprehensive land searches in recent months with a view to increasing land supply, and has fought for every inch of land. I understand that the Government has become very desperate in its land search, otherwise it would not have been reported that plans for the Sport City have been changed, thereby causing a great uproar. The key to the problem lies in stabilizing land supply and while I fully support the Government's comprehensive land search, I think it is more important to optimize land use, so as to establish a stable land reserve.

The Government has established a Long Term Housing Strategy Steering Committee for the purpose of formulating a long-term housing strategy. There is no doubt that no one will oppose the formulation of a long-term housing strategy, but if we consider the issue carefully, we will find that there are actually many challenges. How many years exactly are the long-term housing strategy referring to? If a 10-year housing target is set, then such issues as how will the

long-term housing strategy be able to cater for changing circumstances, and how timely adjustments of land supply can be made, so as to achieve the target of stabilizing the housing market, should warrant consideration by members of the Steering Committee, if there are great political, economic and environmental changes within the 10 years after the target has been set.

Back then, when the Kai Tak Outline Zoning Plan was formulated, the community had unanimously called for low building density and opposed the construction of "screen-like buildings". As such, the vast area of Kai Tak can only accommodate several tens of thousand people according to the Plan. It is obvious that this density is considered to be on the low side at this point of time when comprehensive searches for land are being made, but it is not easy at all to ask the Government to amend its Plan. As such, in addition to the formulation of the long-term housing strategy, I call upon the two Secretaries to review the entire process, for there will easily be a time gap of eight to 10 years from consultation, planning, land sale to completion of the construction works. The challenges faced by the Government is to find ways for adding flexibility to the process which will easily take eight to 10 years, so as to meet the needs of society at the time when the land is sold, thus achieving the goal of stabilizing the housing market.

Today, many Members have proposed amendments to the motion, and the original motion has listed a number of specific policy recommendations, which I do not intend to repeat here. I only hope that the Secretary can include three major research topics when the long-term housing strategy review is launched, and also that the Secretary can boldly conceive and have the courage to conceive new ideas. One of the topics which I hope the Secretary can include is to let everyone in Hong Kong live more spaciously, and this is a very major goal. Our current living environment is worse than that of other cities in the same region, with an average living space of barely 150 sq ft, which is not only less than many cities on the Mainland, but also less than half of that in Singapore.

If Hong Kong were to become a truly liveable city, then in addition to the supply of land for housing construction, it also needs housing of larger areas. We hope that our per capita living space can be increased by 30% — President, even if it has been increased by 30%, we are still lagging behind many cities — and this is a reasonable target. Based on a living space of 450 sq ft for a family

of three, if the area is increased by 30%, it means that it will be increased by 135 sq ft. What can the 135 sq ft be used for? It can be used to increase the space of the living room and kitchen or to build an additional room, and such housing units of larger areas are exactly what Hong Kong people need. With the ageing of our population, I believe that every family should consider how space could be freed up for accommodating a wheelchair and the additional 135 sq ft is the "upgraded" space which Hong Kong families should have.

Apart from the target of increasing the per capital living space, I also request the Secretary to conduct a feasibility study on the Home Ownership Scheme (HOS) Waiting List. The HOS Waiting List can allow people of the marginal middle-class and sandwich class to buy HOS flats, "acquire a home" with some certainty, instead of relying on pure luck, and this measure can help alleviate the grievances of people of the marginal middle-class who have difficulties in owning a home.

Finally, I really hope that the Secretary could resume its study on relaunching the Tenants Purchase Scheme (TPS), and that is, the possibility of putting PRH units up for sale again. The reintroduction of the TPS can help the circulation of PRH, and meet the aspirations of PRH tenants for home ownership. I understand that the Secretary has told us in his reply to our question that the Government will not consider resuming the sale of PRH flats due to management problems. However, the Secretary need only find a way to turn the whole block of PRH flats into units for sale or units for rent, then I believe the management problem which he has talked about will not be a major issue. I trust the Secretary may have noticed that Prof Richard WONG supports the TPS and he has also put forward many sound arguments in this connection, and they worth careful consideration and study. I hope that the Secretary can incorporate the three targets proposed by me, and use them as a direction for consideration and study in the formulation of a long-term housing strategy.

President, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): A very queer phenomenon has emerged in the housing (market) of Hong Kong: property prices have become completely out of tune with the purchasing power of the general public, rents

have become increasingly high and the number of people on the PRH Waiting List has reached a record high.

President, I do not own any properties in Hong Kong and I cannot afford buying a flat which I consider to be suitable for my family of five because the price is really too high. I am also not convinced that I should spend so much money on buying such a small place. This is entirely unreasonable and can be said to be a twisted and queer phenomenon of real estate hegemony and collusion between the Government and the business community, thereby making all people of Hong Kong pay a heavy implicit collective tax.

LEUNG Chun-ying said the housing problem should be solved when he assumed office, and according to him, this should be relatively simple for he found that only 7% of our land is used for residential development purposes and based on this logic, he thinks that 1% of our land can accommodate an additional 1 million people. However, it seems that the reality is not that simple.

There are about 2.6 million housing units and 2.36 million households in Hong Kong. In other words, the supply of housing units exceeds the number of households. If each household is allocated one housing unit, then there will still be a surplus of 260 000 units, thus it is obvious that some people do not have a dwelling place and some housing units are vacant. Obviously, this is due to the fact that properties have been regarded as commodities for speculation.

If we review the property report of 2011, we will find that the overall property vacancy rate is not very high, at only 4.3%, while that of luxurious flats with an area of more than 1 600 sq ft is over 10% and that of flats with an area of 400 sq ft or below is only 2.3%. From this, we can see that our buildings have gone out of line.

According to information provided by the Rating and Valuation Department, over the past three years, and that was from March 2009 to August 2012, the rents of private residential flats have risen by 57.2%, while that for small units of 400 sq ft or below have risen by more than 60%.

President, LEUNG Chun-ying has introduced 10 measures after assuming office, and the Panel on Housing and Panel on Development will hold a joint meeting to discuss the relevant measures. However, according to a report in the *Economic Times* on 27 October 2012, the property prices of 10 major housing estates have increased by 9% on the average. In other words, property prices have continued to rise as a result of the government measures.

Earlier on, a property agency posted an advertisement in its office, with four big characters: "Boon to the Poor" written underneath units of about \$4 million. If properties costing about \$4 million can be described as "Boon to the Poor", I really do not know how many poor people are there in Hong Kong. Hong Kong people are really wealthy, and I have not imagined that we are so wealthy.

Members, our housing problem has become so outrageous. About a year ago, and that was on 30 November 2011, a fire broke out in Fa Yuen Street, killing nine people and injuring 34 others, and most of those who were killed or injured were tenants of sub-divided units. Today, the affected building has already been renovated, and once again turned into sub-divided units of several tens of sq ft each.

According to a report in *Sing Pao* on 24 August, Miss Lee paid \$2,700 monthly to rent a sub-divided unit on the fifth floor, and a South Asian tenant rented a sub-divided unit on the fourth floor at \$3,000 three months ago. And then a little earlier, on 29 January 2010, a tenement building at 45J Ma Tau Wai Road, Hung Hom, collapsed, causing four deaths. Carrie LAM, the then Secretary for Development, said that incident was one which touched her most deeply in her term of office.

Among the four persons killed, one was unemployed, one was an optometrist, one was a prostitute and the other was a 20 year-old Form Seven private candidate named TUNG Hing-tao, who had graduated from Form Five with outstanding results, won several championships at calligraphy contests and come top three in his class each year. He performed well in both academic and extra-curricular activities, but unfortunately made a slip in the Hong Kong Advanced Level Examination and did not do well. However, he was not discouraged, and self-studied to retake the Form Seven examination while studying for an Associate Degree. He was studying at home on the day of the

accident and met with misfortune when the building collapsed. He came from a single-parent family which just consisted of him and his mother.

President, all these sub-divided units are cubicle units in old tenement buildings, the tenants of which are people at the lowest level of Hong Kong. Our Secretary and Director put on firemen gear and went to the scene to have their pictures taken afterwards. The incident of Fa Yuen Street has eventually developed into the issue of whether makeshift stalls should be dismantled every night and the building collapse incident of Ma Tau Wai has developed into the issue of old buildings maintenance.

Today, Carrie LAM has become the honoured Chief Secretary for Administration and though LEUNG Chun-ying said he would solve the housing problem of Hong Kong after assuming office, rents and property prices have continued to soar as a result, and several hundreds of thousand people are suffering every day in such deplorable conditions. What does the Government plan to do? It has neither implemented rent control nor increase (*The buzzer sounded*) the number of PRH flats.

**MISS ALICE MAK** (in Cantonese): President, there are about 200 000 applications on the PRH Waiting List, which has increased by 30 000 compared with the figure of last year. Based on the current rate of increase of 30 000-odd applications per year and that only 15 000 PRH units will be built, the supply of PRH housing will fall seriously short of the demand. As such, members of the community have been demanding for the expeditious construction of more PRH units. Such demands have become very common over the past years. However, the previous Government always turned down such requests with various excuses and said that PRH flats could not be built. The situation continued until the new Chief Executive assumed office and everyone have pinned very high hopes on him. He put forward 10 measures to deal with the problems of the property market in August this year, but unfortunately, only one is on PRH, and that is, to change the usage of the open space in Cheung Sha Wan for the development of PRH, thus advancing the completion date for 2 300 PRH flats by two years.

Several days ago, Secretary Matthew CHEUNG also mentioned that the Government would strive to build 35 000 PRH flats each year, and that is,



20 000-odd more per year compared to the target of today. This is a good thing for us, and it is also the great expectation of many people on the PRH Waiting List. However, we often said that land is needed for flats to be built, and as such, may I ask the Secretary whether it is really possible to build the additional number of flats? The Government should not just paid lip service and gives those on the PRH Waiting List false hopes.

Why have I said that? According to the information provided by the Government, we have sorted out a chronology. On 4 July this year, the then Secretary for Development said in her reply to a Written Question of the Legislative Council that there were altogether 2 157.3 hectares of idle vacant land in the 18 districts of Hong Kong, but on 22 September this year, the current Secretary for Development said at a consultation meeting that the Government had 2 100 hectares of residential land, but as 1 200 hectares were zoned for village type development, only 480 hectares would be available for the development of private residential housing. Several days later, the Deputy Secretary for Development said in an interview with the media on 24 September that the existing 2 100 hectares of government residential land cannot be regarded as land reserves, and that there were only over 300 hectares of land in the whole territory which could be used for residential development purposes, thus the figure had become smaller. And, several days ago, on the 29th, the Secretary said in his reply to a Member that there were currently 1 324 hectares of Government land, of which 932.9 hectares were for small house development and 391.5 hectares were for general residential purposes, and eventually said that the vacant residential land included senior government officials' quarters, developed PRH and open spaces under designated lots for the construction of elevated railways. All in all, in the end, only 150 to 190 hectares of land are available for general residential development purposes and the figure has once again become smaller. Secretary, do you have to take stock of how much land the Government has got in reserve first before telling us how much land is available for housing construction?

As regards the first three points mentioned in Mr WONG Kwok-hing's motion, I believe the Government should really review how much land Hong Kong has got and also tell us the actual figure and by how much the supply of PRH flats will be increased each year, so as to provide those who are on the Waiting List with a timetable and let them know how long they have to wait. If the Government is aware of this, it should know that of the 190 000-odd

applicants on the PRH Waiting List, 90 000-odd are actually non-elderly single-person applicants, among whom 10 000 to 20 000 single-person applicants submitted applications when they were still students. We remember that the official responsible for housing policies of the previous Government had said that students who had applied for PRH are too short-sighted, but do the two Secretaries who are now present, understand why students, those we have contacted, had hastened to apply for PRH while they were still students? It is because they do not have any hopes for the future. Seeing and thinking that the property market of Hong Kong will always be on the rise, they are not confident that they will be able to own a home in Hong Kong and build a cozy nest. That is why they have hastened to apply for PRH even before they are graduated. This is actually very sad and I hope that the Secretary can address this issue.

Take a 470-odd sq ft one-room flat in Tsing Yi which has a market price of \$3-odd million as an example, owning a home will be a very distant hope for young people who have to support their families, repay their grants and loans or save up for further studies after graduation, for they will not be able to have enough money for making downpayments even if they have saved for a long time.

The Government has recently introduced the BSD and raised the SSD. While we hope that these measures can effectively curb and stabilize property prices in the prevailing private residential market, I would like to talk about the My Home Purchase Plan (MHP Plan). The Government said instead of offering the MHP units for lease, it will sell those units. The first phase of the MHP Plan in the Tsing Yi District will offer 1 000 units, and even if the number of units is not that many, it will give young people who wish to own a home a great hope, but the Government has yet to announce the details. According to my understanding, our previous Governments have talked about building on this site for over 20 years, but failed to do so. And, now it finally said that 1 000 units will be built, but when exactly will the construction works be completed? When will applications be accepted? I hope that the Government can announce the details at an earlier date, so as to give our young people who would like to own a home some hopes and let them make plans.

Thank you, President.

**MR KWOK WAI-KEUNG** (in Cantonese): President, it is the tradition of the Chinese to attach much importance to the concept of "home", and the essence of the Chinese character "home" is "getting a roof over one's head". At present, "getting a roof over one's head" has become the most pressing issue for the people of Hong Kong. The SAR Government is obliged to ensure a stable and adequate housing supply. Unfortunately, from after the War up till now in the 21st century, the housing problem has all along been a livelihood issue of considerable concern and worry to Hong Kong society.

It cannot be denied that since the new-term SAR Government has taken office, a series of corresponding measures on the housing issue have indeed been formulated. Such measures include the introduction of the "Hong Kong property for Hong Kong residents" policy with a view to containing the property acquisition spree of non-Hong Kong permanent residents. A package of 10 short- and medium-term measures to stabilize the housing market have also been announced. For instance, the Government has decided to change the method of provision of flats under the My Home Purchase Plan from letting to sale, convert 36 "Government, Institution or Community sites" to residential use, speed up the processing of pre-sale consent applications, and plan to convert a factory estate in Chai Wan for public rental housing (PRH) use. However, these distant projects cannot meet immediate and pressing needs. Since the announcement of these measures, there has not been a drop in property prices and rentals; instead, a continual rise has been recorded. In the face of inadequate supply of public housing units, and soaring property prices as well as rentals of private housing, many members of society are busy making a living every day to pay for a unit, a room, and even a bedspace. They have to toil for most of the days in a month in order to rent a place to live or service the home mortgage.

According to the data provided by the Rating and Valuation Department on "Private Domestic — Price Indices by Class", there is a continuous rise in property prices for small and medium sized residential flats under 100 sq m. An ongoing rise in the index has been recorded, from below 100 five years ago to over 200 this year. The figure has surged by 100% — 16% higher than that of the price index in 1997 when property prices were at their peak. How many families from the middle and lower strata can afford such an unreasonable rise in prices?

President, as a matter of fact, the high property prices in Hong Kong are already among the top in the world. An American consultancy pointed out two years ago that the property price in Hong Kong was equivalent to 11.4 times of the median annual household income. According to the findings of a report released by the Royal Institution of Chartered Surveyors in February last year, the ratio of property prices to people's income in Hong Kong was 22.72, which was the highest in Asia. Basically, 30% of the sandwiched class cannot afford to buy properties.

The Hong Kong Federation of Trade Unions (FTU) has all along advocated to increase the provision of PRH units and to resume the construction of Home Ownership Scheme (HOS) flats so as to alleviate the problems of high rentals and difficulties to achieve home ownership. Meanwhile, the SAR Government must put in place immediate and feasible measures to help married couples, first-time home buyers and owner-occupiers buy their first homes. Take my friends who are dual-income parents who have to work as an example. In theory, under the current low interest rate environment, servicing a mortgage is not a problem to them. However, they do not have enough money for the downpayment. Thus, they are unable to buy their first home. They are left with no choice but to put up with high rents. As a result, they are farther and farther away from the goal of buying their home. Therefore, we support the motion of Mr WONG Kwok-hing which urges the Government to enhance and consider relaunching the Home Starter Loan Scheme expeditiously.

It was mentioned in the last policy address that the Government would support non-governmental organizations to build hostels for youths with the aim of providing over 1 000 hostel places. Subject to a specified period of tenancy and an income limit, the project aims at providing young people aged 18 to 30 with housing alternative at a rental below the market rate, so as to encourage them to accumulate savings for buying their own home. I support the implementation of this project. However, to ensure effective implementation, it is imperative for the authorities to carefully consider the specific arrangements of the relevant project in details, including site identification for the hostels, date of implementation, maximum period of stay, income and asset limit, rental requirement, as well as counselling, employment and other support services. Otherwise, it will only generate more social ills. I would also like to take this opportunity to talk about the issue of site identification. Young people are the

mainstay of the workforce in Hong Kong. To encourage them to take up employment, and to alleviate their burden of transport expenses to and from workplaces, as well as to help them save up for the downpayment, we propose that the sites of the hostels should be allocated in the urban areas as far as practicable. This will enable them to minimize their daily expenses, accumulate resources for the downpayment, and fulfil their aspiration of buying their first home.

Apart from the issue of housing for the young people, another phenomenon that warrants our concern is the issue of rent allowance under Comprehensive Social Security Assistance (CSSA) being insufficient to cover rent payment. Similar to property prices, rentals of private housing in Hong Kong are constantly rising without falling, to the extent that the actual rentals of many CSSA recipients far exceed their rent allowance. Surveys have indicated that among the CSSA recipients living in private housing, 60% of them have found the rent allowance unable to cover the rent. They have no other alternatives but to live in smaller cage homes and cubicles, or use other living expenses to cover the rent payment, which means a lowering of their quality of life, leaving their basic living unprotected. Thus, I hope that the Secretary will examine in detail an upward adjustment of the rent allowance.

Thank you, President. I so submit.

**MR WONG YUK-MAN** (in Cantonese): President, Mr WONG Kwok-kin of the FTU moved a motion entitled "Perfecting Hong Kong's housing policy" in the Legislative Council on 19 April this year. When I spoke on the motion back then, I queried whether the Chief Executive-elect, LEUNG Chun-ying, would actually be able to resolve the housing problem of Hong Kong.

Today, Mr WONG Kwok-hing of the FTU has moved a motion entitled "Perfecting housing policy and resolving public housing need". He has deleted the proposals of taking "enforcement action against sub-divided units" and "allowing eligible families to purchase HOS flats in the secondary market without having to pay the premium". Meanwhile, proposals regarding "Hong Kong property for Hong Kong residents" and "hostels for youths" have been added. Regardless of the concept and wordings, the other proposals of this motion are

not much different from those of the motion moved by Mr WONG Kwok-kin back then.

We express our support for this motion because I voted for the motion of Mr WONG Kwok-kin back then. It will be unjustified if we treat Mr WONG Kwok-hing's motion differently. Thus, we will vote for this motion as well. Nevertheless, we do not fully agree to some of the contents of the motion.

Reviewing what we have learnt will enable us to learn something new. In November 2002, "SUEN's nine strokes" were launched by the TUNG Chee-hwa Administration to stabilize the private housing market. Public and subsidized housing has gradually become a problem since then. From 2002 onwards, only 20 000-odd PRH units were produced over a period of two years; in other words, an average of 15 000-odd units were produced annually. As for last year, only 11 000 units were produced.

In response to the accusation of Albert LAI of the Civic Party, the Development Bureau pointed out on 19 October that only 391.5 hectares of the land in Hong Kong were suitable for the development of residential sites and commercial/residential sites, a statement questioned by the media. The Government was alleged to have covered up the figure of land of undetermined use. It was also revealed that the land reserve of the five major real estate developers and the MTR Corporation Limited was sufficient to build 64 000 units of 700 sq ft each.

Mr Albert CHAN of the People Power has been serving the community of the New Territories West for many years. He knows the remarks about land hoarding are right. The SAR Government started to publicize the North East New Territories New Development Areas through television commercials last week. "Eyeing and targeting" the land of old villagers only, the Government dares not examine any other methods to use the land in the hands of real estate developers. During the election, LEUNG Chun-ying had given us a beautiful illusion that he would address the issue of real estate hegemony. Now we can see that he is gainsaying what he advocated in the past. The SAR Government continues to be biased in the interest of real estate developers.

The public and subsidized housing of Hong Kong should cater to the needs of the grassroots. If the supply is insufficient, the Government is duty-bound to

employ other means to ensure that the grassroots are looked after. The rent allowance under Comprehensive Social Security Assistance (CSSA) had been frozen since 2003, and was defrosted only this year. The rent allowance for one person is \$1,335 while that of a household with four members is \$3,745 only. Despite the fact that the current rental is exorbitant, the Administration has objected to the imposition of rent control. You can imagine how acute the housing problem of the grassroots is.

Members might have learnt from news reports that the belongings of a number of street sleepers in Sham Shui Po had been confiscated by the Food and Environmental Hygiene Department. I had campaigned for them and held meetings with the District Officer and the Hong Kong Police Force. Mr CHEUNG Kwok-che had later taken part in the campaign. Finally, with the help from Rev LAM Kwok-cheung and some social workers, injustice was vindicated for these street sleepers. Nevertheless, each of them was only given a compensation of \$2,000. These people are the victims of the existing public housing policy.

Similar incidents take place almost every day. At the time when the aforesaid street sleepers were cleared from the streets and their belongings removed, had it not been for our clamouring in this Council, and had the social workers and Reverend LAM not slept on the street for over 200 days, today's result would not have been achieved. They said they had to rely on our efforts, but how much can we achieve? These two "chaps with glasses" in attendance have power and influence, but they simply refuse to do what they can do.

I will use four words to describe the new policy regarding the White Form — prescribing wrong medicines indiscriminately. The Legislative Council Panel on Housing had passed a motion that urged the Administration to shelve the policy. However, the Administration has remained obdurate. LEUNG Chun-ying has indicated that the policy would not be shelved. In that case, you had better dissolve the Legislative Council, buddy.

The Legislative Council has been given 10 days to pass the Old Age Living Allowance, which is one of the initiatives in his policy platform. The new policy regarding the White Form is his current policy. When the Government says a certain policy has to be shelved, the Legislative Council has to shelve it. When the Government says it cannot be shelved, the Legislative Council is forced to pass the Old Age Living Allowance. What kind of a government is this?

The two Secretaries are in attendance. They look decent. The Secretary for Development, Paul CHAN, has only started to learn quite recently. But is Anthony CHEUNG well-versed in the housing policy? He is extremely knowledgeable of the subject. Does he know where the problem is? Of course he knows. What is the use of implementing the policy regarding the White Form? Build more public rental housing! In a nutshell, build more public rental housing! Just these five words will be able to solve the problem completely. It is very simple — in Cantonese, "build more public rental housing". But he keeps on putting up excuses.

The previous-term Government led by Donald TSANG was even more ridiculous. It was really nonsensical. He deserves to have this eventual fate. I said to him, "Build more public rental housing". Again, it was these five words. He replied by asking, "Where is the land?" In total, I had said five words. But there were only four words in his reply. He had short-changed. I said, "Build more public rental housing". But Donald TSANG replied by asking, "Where is the land?" This was the fact. I am not making unfounded statements. Such a reply is really outrageous.

If we use the term "at its wits' end" to describe the previous term of the SAR Government in its handling of the public and subsidized housing policy, then up till now, we can only see that the current Government is prescribing wrong medicines indiscriminately, trying to fix one thing but failing to cope with others.

In the first part of his speech, Mr WONG Kwok-hing quoted, "If a thousand, ten thousand mansions could be built/That shelter all the poor scholars, together in joy".<sup>1</sup> Buddy, this has been said for 10 to 20 years. A number of Members have also quoted these two verses in the first part of their speeches. Now where can you find joy? Do you have joy?

Build more public rental housing (*The buzzer sounded*) ..... Secretary.

**MR WONG KWOK-KIN** (in Cantonese): President, among the motions proposed by Legislative Council Members in every Session, there are always

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<sup>1</sup> Watson B. (2002) *The Selected Poems of Du Fu*. New York, Columbia University Press



motions on the living conditions of members of society. I believe everyone in attendance will agree that to resolve the pressing housing need of the public, it is imperative to perfect the housing policy. Even Chief Executive LEUNG Chun-ying had admitted before he took office that housing tops the list of livelihood issues that are of public concern. Since the subject has been discussed for so many years, why has a Member still proposed a motion to discuss the issue today? Why have so many Members proposed amendments? It is precisely because all political parties hold that from the previous-term Government to the current-term Government, the efforts targeting housing policy have been ineffective and inadequate, that Legislative Council Members have to continuously raise the subject for discussion, with a view to urging the Government to seriously face the issue and introduce effective measures expeditiously. We do not hope that in response later in the meeting, the two Secretaries will again repeat the predetermined reply in the past — like what "Yuk-man" said just now by asking "Where is the land?" — I hope that the two Secretaries will be able to resolve this issue. We also hope that the Government will listen attentively to the voices of the people, and heed the aspirations of the public on housing.

Personally, I am more concerned about the housing need of the grassroots. In recent years, I have heard that many grassroots are living in "sub-divided units", cubicles, en suite units, and even "coffin-sized units". Of course they do not deliberately choose to live in such dwellings. It is only because they are not eligible for public rental housing (PRH) units, and they lack money and financial means to enter the private market, so they have no alternative but to opt for these tiny, dirty, dangerous and overcrowded places. They are asking only for a roof over their heads. I believe Secretary Prof Anthony CHEUNG had already had a personal experience of a "coffin-sized unit" last Sunday when he visited the community — photos were already taken, and the Secretary's posture looked like that of Mr TANG in the mash-up works back then — I do not know what the Secretary's feeling was when he laid in the "coffin-sized unit". Even though these units are overcrowded, dirty and dangerous, their rentals are not cheap; instead, they are soaring all the time. That is why there is an increasing demand for PRH from the public — because PRH rentals are cheap, while the living environment is nice and clean — thus, there is an increasing public aspiration for PRH and the Waiting List is becoming increasingly long.

President, in April this year, that is, during the previous term of the Legislative Council, I raised a question regarding the issue of the Express Flat Allocation Scheme. According to the reply of the then Government, we learnt that during the five-year period from 2006-2007 to 2010-2011, the accumulated number of non-elderly one-person applicants under the scheme reached over 52 000. The accumulated number of people who were allocated flats was only some 4 000. This is only one of the groups on the Waiting List. The allocation speed of this queue for express flat allocation lags far behind the number of applicants waiting for flat allocation. Based on the number of this group, we can estimate that it will take a much longer time for the applicants on the General Waiting List to have a flat allocated. Further, this figure also reflects that apart from the rising number of applications from grass-roots families for PRH flats, there is a continuously growing demand from singletons for PRH flats, and there is an annual incremental increase of this number. Why do young people who have just graduated or those who are still studying queue up in this group? This is precisely because they are aware that they do not have the resources, and they reckon they cannot afford entering the private housing market in the future. I hold that this issue warrants pondering over by society and the entire Government. Previous generations, including our generation, who lived in PRH flats used to make every effort and use every possible means to move out of PRH and improve their lot. However, the situation is just the opposite in present-day society. People living in private housing, old tenements, sub-divided units, and cubicles will do anything to live in PRH flats. They have the same objective of improving their lot. This is because PRH can provide safer and better living conditions at a more reasonable and affordable rental level.

I hope that the Chief Executive will honour the pledge he made during the election of expediting the completion of the construction of 75 000 PRH flats in the next five years — of course the more the better — and ensure that the average waiting period for non-elderly one-person applicants over the age of 35 is brought on par with the waiting period of family applicants, that is, three years; while the waiting period of non-elderly one-person applicants under the age of 35 will be shortened. It is only through expediting the production of PRH flats and increasing PRH supply that the waiting time of the grassroots for allocation of PRH units can be shortened, and their life can be improved expeditiously, so that they will not have to endure living in the kind of units visited by the Secretary. I believe if people around the world are able to see the units, they will reckon this

is inhumane living condition. I hope that the Government will seriously address the problem and sense the urgency of the people. Thank you, President.

**MR CHAN CHI-CHUEN** (in Cantonese): President, just now Mr WONG Yuk-man has already indicated that the People Power basically supports today's motion proposed by Mr WONG Kwok-hing. However, I would like to add two points, putting forward some views to the SAR Government, as well as offering a benign reminder to those who wish to buy properties but have not yet made the move, and who are still considering whether they should enter the market.

The proposed measure mentioned in item (j) of Mr WONG Kwok-hing's motion urges the Government "to study and introduce more measures to assist people in acquiring their homes, including enhancing the former Home Starter Loan Scheme and the Tenants Purchase Scheme, so as to enable more members of the public to acquire their own homes". Back then, I was also a beneficiary of the Home Starter Loan Scheme. On securing a loan of \$600,000, I bought my first home. Later, I made a profit of more than \$100,000 when I sold the property. I consider myself very fortunate to have been spared a plight. However, for some friends, the timing of entering the market was wrong. The crash of the property market happened just after they had acquired properties, plunging them into financial difficulties and heavier burdens. Buying properties is more than going to hell, to them.

It is claimed that studies on measures that will help the public buy flats are being conducted and such studies have all along been conducted. But the timing is very weird. While studies are being conducted, the property bubble is edging towards the verge of bursting. By the time when it seems that property prices are coming down, and low-interest loans are available, it will be rather foolish not to secure a loan for buying properties. Under such circumstance — on the verge of the bursting of the property bubble — when the SAR Government is launching these schemes to create housing demands, some members of the public who have all along dared not buy properties will get the hot potato on the verge of the bursting of the property bubble, all because the SAR Government is extending a helping hand or fanning the flame. As a result, these members of the public will be thrown into an abyss of despair. Thus, I hope that the SAR Government will consider this carefully. It is not my wish that what I said about the good part will not materialize but the bad part does come true. I hope that in launching

these measures to help the public buy properties, the Government will not do a disservice out of good intentions.

Moreover, item (k) of the motion urges the Government "to closely monitor the impacts of the economic environment and external factors, and introduce more adjustment measures whenever the hot money flows in and the property prices continue to rise, including increasing the effectiveness of the special stamp duty". We all know that the Special Stamp Duty (SSD) and the Buyer's Stamp Duty (BSD) have been introduced by the Government recently. Many people think that the Government had not given thorough thoughts to the two stamp duties before their hasty introduction, which may subsequently generate a lot of problems. As a matter of fact, the recently introduced SSD is meant to penalize those who sell their properties within three years after acquisition. Prior to buying properties, many people would plan to hold the properties for a long period of time, or use the properties as owner-occupied units. But nobody can guarantee that there will not be any changes in the external economic environment and personal circumstances. What is going to happen when there is a deterioration of the external economic environment, a surge in interest rates, or a drastic drop in property prices? As for personal circumstances, take Franklin LAM as an example, an urgent need of money may be the cause for selling properties; or in the case of losing his job — may be not as distressing as losing a job — I have a friend who used to work for a traditional newspaper publisher, but later came to work for an online media company at a salary only half of his original wage. With the 50% slash in his wage, the mortgage loan available to him has also been slashed. Under such circumstances, he either has to sell his property or borrow money from loan sharks to pay for the shortfall. However, under the existing SSD, he is unable to sell his property because selling his unit may incur a further loss as he has to pay a stamp duty of 15% or 20% of the property price. Hence, he has no other alternative but to borrow from loan sharks, with his own life depending on the property as well. Will the new tax in the form of SSD do more harm to these people instead of helping them?

Moreover, the BSD was introduced with the aim of discouraging speculators from outside Hong Kong. Since these speculators can purchase properties under the auspices of companies, the 15% BSD has to be levied on properties purchased under the auspices of all companies. As a matter of fact, there is a serious problem with this kind of sweeping approach. First, it changes

the long-standing tradition in Hong Kong of purchasing properties under the auspices of companies. Today, I have heard Members express their wish of expediting urban redevelopment and old district redevelopment. In the case of acquisition of old buildings, the acquisition has to take place under the auspices of companies. As each acquisition incurs an additional 15% BSD, will this measure slow down the urban redevelopment projects?

I hope that the two points put forward by me today will merit special consideration of the Government. I also hope that those who wish to buy properties will not base their decision on the fact that current measures introduced by the Government has brought about some sort of adjustment in property prices in the short run, or has provided some help to them, and thus hastily enter the property market. It may be too late for them to regret in the future.

I so submit.

**MR ALAN LEONG** (in Cantonese): President, as the property prices in Hong Kong keep soaring, there are great grievances among the people who wish to buy their own homes. It is not difficult to identify the cause of this repercussion, which can be traced back to the previous Government's implementation of the Application List system that allows land hoarding and cornering by real estate developers, making it impossible for the current land supply to catch up with the demand for flat production. I agree to the remarks made by many Members just now, and that is, under the leadership of LEUNG Chun-ying, the current SAR Government is prescribing wrong medicines indiscriminately, introducing measures in a hasty and unfocused manner, while all measures rolled out are frail. We need only look at the fact that within the three months after LEUNG Chun-ying has taken office, despite measures introduced one after another, the property prices still keep soaring, to see how ineffective all those measures are.

President, today's motion proposed by Mr WONG Kwok-hing covers a lot of areas. On behalf of the Civic Party, I would like to discuss a few items which are more important. First, a number of colleagues have mentioned that it seems the Government does not know how much of the Government land can be used for construction of residential flats. One of the reasons, as explained by the Government, is that 1 200 hectares of land has to be reserved for village type development. President, we all know that the arrangement of land allocation

made by the Government is to satisfy the demand of land for building small houses. With respect to the small house policy, when Donald TSANG and I were running for the Chief Executive office in 2007, I had paid a visit to the Heung Yee Kuk. Back then, the Heung Yee Kuk proposed to build houses of more storeys in order to meet the demand of small house concessionary rights, and indicated that a line could be drawn. The proposal sounded to be quite reasonable. After Donald TSANG was elected, the Heung Yee Kuk continued to ask him to consider and implement this policy, but to no avail. We do not know why, but eventually the policy was not implemented.

To realize the release of land and to avoid being criticized for prescribing wrong medicines indiscriminately, the measure formulated must be focused. For instance, President, at present, some land in the New Territories is used as landfill, while some has been turned into container yards. This does not only fail to restore the land to its original condition, but also makes the planning of New Territories land in Hong Kong a laughing stock. Hence, if an all-win solution can be reached on the small house policy, more land will be released, whereas an immediate increase of land supply will provide a means to satisfy the need of flat production in Hong Kong.

Moreover, President, I would also like to talk about the issue of rent allowance. We frequently hear the Government reiterate that the waiting time for PRH allocation is three years. If the Government is not paying lip-service, and the target of three-year waiting time for PRH allocation can really be achieved, why should the Government be afraid of reintroducing the rent allowance? The Government frequently tells us — President, probably you have heard that many times — introducing a rent allowance will only benefit property owners, and that if a rent allowance is granted to PRH applicants who have waited for more than three years, owners will use the rent allowance as a basis for rent increase. However, we must not overlook one thing — the Government has reiterated that the waiting time for PRH allocation is three years. If this is true, what is the Government afraid of? It is because the Government knows this has been "inflated", so it refuses to do so. If this is the case, isn't it unfair to those who believe in the pledge of three-year waiting time for PRH allocation and put their names on the Waiting List? Hence, I think this is worth our support.

With respect to the issue of rent control, when this Council passed the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) in 2003, many Members — particularly Ms Audrey EU and Dr Margaret NG before the Civic Party was

formed — had said that the needs of the low-income tenants and those who were financially deprived must be addressed. Now, it has been nearly 10 years since the legislation on the lifting of rent control was passed. As a matter of fact, we had taken part in the annual march of the Alliance of Tenants over the years. I hold that it is time to conduct a review of the issue. We do not need to fully revert to the previous arrangement of rent control in an "across-the-board" approach. However, it may provide a solution if appropriate adjustments can be made after the review in the light of the existing circumstances.

President, regarding the issue of the Home Starter Loan Scheme (HSLs), Mr WONG Kwok-hing's motion has proposed to enhance the former HSLs, with the aim of addressing the 1 400-odd bankruptcy cases and over 1 000 default cases created by the original rent control policy. In other words, if property prices keep soaring, even if the arrangement under the original HSLs is offered to members of the public, it may only do harm to them.

Finally, I would like to refer to a remark made by Secretary Prof Anthony LEUNG last week, that is, 39 PRH estates are still under the Tenants Purchase Scheme (TPS). May I ask whether he would consider the case if a resident of Tsui Ping South Estate wishes to buy a unit of Tsui Ping North Estate? Will he be allowed to do that? Because Tsui Ping South Estate is not under the TPS while Tsui Ping North Estate is. Such a case should be considered by the authorities.

**MR JAMES TO** (in Cantonese): President, many colleagues have spoken. I will speak on areas not much mentioned by other colleagues. First, with respect to the 30 000 PRH units, we generally believe the waiting period for PRH applicants can be expedited to two years. Thus, we are not going into a detailed discussion on this. On the contrary, regarding the number of HOS flats, not much about the number, the formulae, or the standards has been mentioned in the motion as well as the speeches of other colleagues. Dr KWOK Ka-ki's amendment has proposed that at least 5 000 flats should be supplied. Mr James TIEN has put forward the concept that there should be 12 000 flats with limited floor areas for Hong Kong residents annually. As a matter of fact, the relevant concepts are rather similar.

President, I have more than once openly proposed another concept of mine. Actually how much is considered sufficient or adequate? There should be a set

of objective criteria. In order to satisfy the needs of the public for home ownership, I propose that the Government should set the criterion at a certain age, for instance, to start calculating from the age of 28 or 30. If a person who satisfies the eligibility criteria applies for HOS every year, but has not been provided a flat after seven years, can it be arranged that an HOS flat will certainly be provided to him at the seventh year so that he can start his mortgage repayment? Of course, if he is already 37 years old, he may have to make arrangements for retirement after servicing his mortgage for 15 to 20 years. You may say this is somewhat like planned economy. However, to members of society, if a planned ownership for HOS is formulated for an applicant who satisfies the eligibility criteria for seven years, so that he can make long-term planning for his life, this may come as a solution to enable the public to live in peace and work with contentment.

Mr James TIEN of the Liberal Party has also mentioned that 12 000 flats with limited floor areas for Hong Kong residents should be supplied annually. According to my estimation, even if my formula is adopted for the calculation, the number will almost be the same. Hence, I hope that the Secretary will seriously consider whether a benevolent policy that allows members of the public to plan their life, live in peace and work with contentment can be formulated.

Finally, with respect to the housing issue of the general public and low-income earners, even if the Government will not provide a rent allowance, it has to formulate rent control. Recently, when Secretary Prof Anthony CHEUNG visited some low-income earners in Sham Shui Po, he indicated that rent control would not be considered. Meanwhile, he also pointed out that the Government would not sit back or turn a blind eye to their plight. Since the Government will neither implement rent control nor sit back and turn a blind eye to their plight, should the Government not consider introducing a rent allowance then?

As a matter of fact, a point mentioned by Mr Alan LEONG just now is similar to our approach. If the waiting time for PRH allocation is three years — it may not be three years, one more year may be needed, that makes it four or five years, because many applicants are not allocated PRH units even after waiting for five years — and the Government will start providing a rent allowance, this will be a relief measure to help the public. In the face of the present exorbitant rental increase, particularly the soaring rent in old districts where members of the lower stratum live, if a rent allowance is not provided to them, the Government can



offer assistance under other schemes, such as the work incentive transport subsidy scheme, which can be translated into an allowance for low-income earners. However, not everyone has a job. Are many of those jobless CSSA recipients already? The real difficulty lies in that some people really do not need to travel across districts to work, but they are not CSSA recipients. The number of these people is not great. So, if an allowance can be provided to these people as a relief measure ..... as a matter of fact, the key lies not in scarcity but in uneven distribution. It is hoped that this will bring everyone in line with each other. To put it in simple terms, this will enable them to have some kind of allowance that aims at subsidizing low-income earners; the question is under what scheme the allowance is given.

Thus, I hope that the Secretary can really appreciate the public sentiments. Indeed, there is a certain number — I believe the figure provided by the Society for Community Organization will be more accurate — according to my rough estimate, if CSSA recipients and those who are eligible for the transport subsidy are not included, the figure may come to 40 000 to 50 000 households. Therefore, I hope that the Secretary will seriously take the plights of this stratum into consideration. Of course, if an adequate number of housing units can be produced, and PRH units can be allocated to applicants who have waited for two years, just as the arrangement proposed in the motion, it is not necessary for the Government to provide any rent allowance. However, according to my estimation, even if the Government agrees to the proposal of this motion, it may not be achieved in the next five years. Therefore, if this is considered as a transitional measure that may be removed some day, I hold that it is a good option that will only cost a limited amount of public money.

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

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I heard Mr CHAN Kam-lam say in this Council that the opposition camp did not take actions it advocated. He also said that we demanded for the production of more flats but refused to allow land to be allocated, which was a waste of time. Buddy, didn't they elect Donald TSANG as the Chief Executive? Didn't they support Donald TSANG? When Donald TSANG had become "covetous Donald TSANG", didn't they still dine with him? They are now talking drivell. This is really

confusing right and wrong. A more flagrant instance has yet to be found. Who actually gave support to Donald TSANG for not developing land? The support came from the royalists under the leadership of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). They are now actually accusing me in return. These are really dogs that bite the feeding hand".

I can tell you, you will know just by taking a look at this Government. Among the four high-ranking officials who have been involved in wrongdoings, three of them are related to real estate. LEUNG Chun-ying played the role of a "pimp" for real estate developers. He gained profits when properties were purchased, and gained profits when properties were sold. He used to speculate on properties. When a luxury flat was sold, he would invite all the "aunties" to the flat. There might be speculation on the property for seven times in just one morning, and the property would be sold when it hit the highest price. This was one of his activities. Moreover, he lives in a mansion, but he has been involved in unauthorized building works. All of such behaviour is a reflection of greed and related to the real estate sector. This is the Chief Executive of Hong Kong.

The second official is — I do not remember who he is — MAK Chai-kwong. Originally I thought he was not too bad. But he was found to have shown greed in properties, and cheated on government housing allowances after the acquisition of a flat. The third one is Secretary Paul CHAN. He will not "let any opportunities slip through his fingers". Even though he had said he would not engage in speculative activities, he has engaged in some speculative activities. After doing this and that, finally, it was found that he has engaged in the speculation of sub-divided units. The fourth official is the one whose "greatest strength is fertilizing with shit" or "lam fan jui keung".<sup>2</sup>

Four high-ranking officials of a Government were consecutively found to have been involved in wrongdoings, either in property speculation, or in property investment. It can be described as "getting new cases with severe consequences every day". In the face of this, what else can be said? It was also the same with TUNG Chee-hwa. People all said that he had caused the collapse of the property market. But what actually were the several lots of land he had

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<sup>2</sup> The Cantonese pronunciation of "lam fan jui keung" is close to the Cantonese pronunciation of LAM Fan-keung, a Member of the Executive Council.

eventually acquired in Shanghai? He was tens of billion dollars wealthier for no reason at all. That was the reward for his "leg pain". They are so corrupted. What are they still talking drivel about? Buddy, I would like to ask you, "Why is your flat getting bigger"? Chairman MAO had said before, "The enemy rots with every passing day, while for us things are getting better every passing day." At present, "The public rots with every passing day, while for DAB things are getting better every passing day."

It is difficult for people in Hong Kong to find accommodation. This happens in 10 years out of 15 years. I would like to ask, why is the Member able to live in an apartment of 10 000-odd sq ft? And the unit is getting bigger in size every time he moves to a new one. Where has he got the money to move from the waterfront of Chai Wan to the high-end residential area of North Point? Buddy, is this because he is good at investment? As a matter of fact, the so-called "good at investment" means draining our blood and consuming our flesh. And they are talking drivel like this. At first, I had planned not to speak today. I was working in the office upstairs when I heard the speech. I was scared to death. I even dropped my pen on the floor. The opposition camp was rebuked again. Come on. Is he insane?

President, let me say this with a clear conscience. No matter how the Chief Executives have treated the real estate sector, they have facilitated real estate developers in making more profits. Then what other reasons are there to rebuke the opposition camp? It is really weird. A lady was beaten by a man. A person came to separate the two and said, "Stop beating, stop beating the lady." But he had carelessly pushed the lady and she fell onto the ground. The man who beat the lady said, "Even though I was beating her, if you had not come to her rescue, she might not have fallen onto the ground." President, is that fair?

At first, I had wanted to talk about the issue of housing policy, but I found the remarks just now unpleasant to the ears. On which occasion has the Government not benefited real estate developers? Wherever the railways of the MTR Corporation Limited are built, the land will be speculated, benefiting the real estate developers. On the one hand, TUNG Chee-hwa was instrumental in the collapse of the property market, but on the other, he approved the project of (*A Member reminded him the project was Cyberport*) Cyberport. Members can

go to the place and see what has happened to it. His act had obviously deceived the people of Hong Kong. It was the same with the Science Park or the Science City in Tai Po. Luxury flats have been built next to it. They have even promoted the complex to be the last one that commands a panoramic harbour view, as if you will die if you do not buy one of the units. Buddy, how can they put the blame on us? We had objected to the project.

The existing problem lies not in the lack of land, but in what the land use is. Secretary Paul CHAN has indicated that the proportion of development in the new development areas in the North East New Territories is 80 to 20. If the Government devotes more land to the production of PRH units, likewise, more luxury flats will then be built. However, he will only indicate how much area will be used. It is meaningless. Buddy, during the election campaign, I already knew that we would be able to secure several hundreds of votes to 1 000 votes just by conducting door-to-door visits in one PRH building; but in a luxury flat building ..... first, they will not vote for me; second, I will secure four votes at the most, probably only the foreign domestic helpers or security guards will vote for me.

They are making such criticisms against us. Are they insane? The DAB has proposed relaunching the Home Starter Loan Scheme — this is the job of Mr CHAN Hak-kan — if you really wish to help those people, you will have to learn from the Singaporean Government and build Housing and Development Board flats. They build affordable flats for their people, and then lend money to them so that they can purchase the flats. They can get the money back when it is unsuccessful, and fully integrate it with the social security scheme. Hence, Singapore is an example from which we can draw reference.

President, the *Hong Kong Economic Journal* always teaches people to buy properties at high prices. You can take a look at the property prices in Singapore. Let me look at the prices. A flat of Singaporean \$3.6 million is already overwhelmingly beautiful. But we cannot even buy a brick with this price tag. Hong Kong is obviously outclassed by Singapore in this aspect. It is often said that Hong Kong is a small place with lots of people. Isn't the area of Singapore small enough? Buddy, this is really drivel. If examples have to be cited, more appropriate examples should be chosen. The existing problem is that land is devoted to other uses while flats built cater only for the wealthy

people. They actually say that rent control is wrong. Are they insane? Owners reaping expensive rents off their tenants will be able to buy two more units. Everyone knows how to speculate on properties by this means. And they actually say that cheaper rents will make owners reluctant to lease out their units. If that is the case, let the property prices drop. In this way, people will have places to live (*The buzzer sounded*) .....

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

**MR LEUNG KWOK-HUNG** (in Cantonese): I know, but I am very angry because they are confusing right and wrong. How come the flat you live is getting bigger in size?

**PRESIDENT** (in Cantonese): Mr LEUNG, please stop speaking at once.

**MR LEUNG KWOK-HUNG** (in Cantonese): All right. I know you do not like hearing this.

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

**MR ABRAHAM SHEK** (in Cantonese): President, I would like to ask "Long Hair", who kept condemning the DAB just now, not to leave. Is he aware that 200 000 people are waiting for PRH flats? He is currently a PRH tenant, but as an Honourable Member of the Legislative Council, he is paid much higher than many of those on the Waiting List. Actually, he is not qualified to be a PRH tenant. If he criticized some Members for turning their homes from a unit of several hundred sq ft into a large property measuring 1 000 sq ft or 2 000 to 3 000 sq ft with their hard-earned money, he should understand that they have saved up every penny in order to pay for their large homes. This is part of Hong Kong's success story.

Many of us who are present here came from poor families in the 1950s, but Hong Kong could give us the opportunities to fight for our goal, pursue studies and save up money. This was how many colleagues from the DAB began. We choose not to use social resources to live in PRH. In fact, we can do this so long as we spend all our money. However, this is not the point. Each of us has our own responsibility. The question today is the housing problem — he has left already, but it does not matter.

When it comes to the housing problem, many Members — including the one on my right — can be said to be experts. These 30-odd experts can definitely pinpoint the crux of the matter. However, does the Government understand where the problem lies? Like the problem mentioned by many Members who are present here, Hong Kong's problem can be described as ..... we have become someone's enemies because of our success.

In the United States, there are houses which are not occupied by anyone. The same case happens in the United Kingdom, Australia and many developed countries and places. In Hong Kong, however, there must be someone who wishes to buy a property all the time. Hong Kong is the only place in the world where the situation is so unique, and that is, some people are unable to purchase a property, and this gives the impression that the whole community faces the problem of having no places to live.

Since the British Hong Kong era, the Hong Kong Government has had a policy of "no one will be rendered homeless". Although some people choose to be street sleepers, it is not because they have no place to live. I believe the Government is very clear about this because, compared with many places around the world, Hong Kong ..... half of our population lives in public rental housing. This is also one of Hong Kong's success stories. However, it is the wish of the current Government as well as the previous Governments, be they headed by former Chief Executive Donald TSANG or TUNG Chee-hwa, that members of the public can earn a living and afford to purchase their own their homes, so that they can develop a sense of belonging to Hong Kong. In this successful example of the entire Hong Kong society, the market is allowed to come into play of its own accord. The poor can fall into a safety net — "Long Hair" was once inside the safety net — but they will still wish to leave the safety net by turning their small flat into a big one and then an even bigger one, and eventually surrender their PRH flats, so that people in need can fall into the safety net. This

was the course of struggle of many colleagues from the DAB. Actually, I should not have mentioned this point, but I cannot help getting this off my chest. President, this is the first point.

Second, when we 30-odd Members are discussing why there are so many problems with housing, I wonder if Members have noticed that two plots, one in Ma On Shan and the other in Tseung Kwan O, have been disposed of by the Government today. President, do you know the prices of the plots per square foot? The one in Ma On Shan is more than \$5,600 per square foot — although I have not read the news reports, it should be more or less the same — and the one in Tseung Kwan O is more than \$4,000 per square foot. Coupled with a construction cost of more than \$3,000 per square foot, loan interests, and so on, the cost alone has already exceeded \$8,000 per square foot. Although everyone is condemning the property developers and the exorbitant price of the bread made by them, have Members asked businessmen who will pity them when the price of flour is so high? It must be borne in mind that property prices might fall as a result of some initiatives abruptly launched by the Government. All these costs and risks have to be taken into account, too.

The biggest problem currently faced by Hong Kong is that the Government has been selling flour with a high land price policy over the past decade or so, and there must be property developers willing to build properties. If they are reluctant to do so, who else will build flats every year so that members of the public have flats to buy? President, of the 200 000 or so property transactions per annum, only 10 000 or so involve new properties, and more than 100 000 involve secondary properties. Hence, it is very clear that property developers should not be blamed for high property prices. As the price of the flour they buy is high, the bread they sell will naturally be a bit expensive. Right, it is now necessary for some measures to be introduced to regulate first-hand properties, because some property developers might exaggerate the sizes of their flats. Nevertheless, all these problems have already been resolved. The point is: Why are there market interventions? In fact, these interventions have already existed before today or LEUNG Chun-ying's Government took office. The relevant initiatives are launched by the current Government for the sake of ensuring the safety and stability of Hong Kong economy.

Prior to 1997, everyone would show sympathy to people without properties, but after 1997, everyone showed sympathy to people with properties because they had become "negative equity asset holders". Is it our wish to see property prices fall, as suggested by "Long Hair"? If property prices fall, "negative equity assets" will appear. Who will be affected? Not only will society be affected, banks and employment will be affected, too. Do we wish to see this happen? Certainly not. It is obviously wrong for the Government to administer medicine now. How can it intervene in the market? Instead of intervening in the market, the Government should increase supply by all means rather than compelling people not to buy properties. The more those people are compelled not to buy properties, the more eager they will become to buy properties. Therefore, the medicine administered by the Government is certainly wrong. Instead, more PRH and Home Ownership Scheme (HOS) flats should be built, for only in doing so can there be more opportunities for people on the Waiting List to improve their living conditions.

The Government has currently planned to sell HOS flats to White Form applicants. It is certainly wrong to do so. Instead, the Government should ask Green Form applicants to surrender their vacant flats to enable the 200 000 on the Waiting List to get PRH allocation. Why does the Government insist on doing this? This plan can only help people who have been unable to buy a property, but not those on the Waiting List, and so their problems cannot be solved. People living in cubicles or caged homes (*The buzzer sounded*) ..... should be entitled to living in better .....

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

**MR ABRAHAM SHEK** (in Cantonese): ..... Thank you, President.

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

(No Member indicated a wish to speak)



**PRESIDENT** (in Cantonese): Mr WONG Kwok-hing, you may now speak on the seven amendments. The speaking time limit is five minutes.

**MR WONG KWOK-HING** (in Cantonese): President, I would like to thank the 37 Members who have spoken, among whom seven Members have proposed amendments to my motion. With more than half of the Members having spoken on my motion, it is evident that housing is a subject of common concern to different political parties and groupings, and different strata and different sectors of society. About the amendments proposed by the seven Members, I have the following views.

First, it is about the amendment of Mr LEE Cheuk-yan. The amendment adds to the motion the proposals of reinstating rent control and cracking down on residential units posing hazards, and so on. I have discussed the rental issue in my earlier speech and urged the Government to conduct a comprehensive review of the Landlord and Tenant (Consolidation) Ordinance, so I will not dwell on it. As for the crack-down on residential units posing hazards, I consider this necessary, and so I will support Mr LEE Cheuk-yan's amendment.

As for Mr LEUNG Che-cheung's amendment, it mainly adds to the motion some home purchase schemes, such as expediting the implementation of the New Home Ownership Scheme (HOS), reintroducing the Sandwich Class Housing Scheme, and increasing the number of units for allocation under the Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme, and so on. The FTU supports the proposals. Since Mr LEUNG amends my motion on behalf of the DAB, if Mr LEUNG Che-cheung's amendment is passed, it is only rational that the DAB will support the original motion proposed by me.

The amendment of Mr Gary FAN mainly seeks to urge the Government to give priority to using existing land reserve in housing construction and to abolish the Quota and Points System for non-elderly one-person applicants. We agree with these proposals. However, he proposes that the authorities should "avoid using private land acquisition as a means to increase the supply of residential lands", which will restrict the channels for land supply. In fact, in the past, many residential sites and new towns were developed on private land, hence, I cannot support his amendment.

Regarding the proposal in Mr Michael TIEN's amendment of "considering adding provisions relating to first-time home acquisition" under the policy on "Hong Kong property for Hong Kong residents", the FTU does not have any special comments. However, the amendment of Mr Michael TIEN also proposes the deletion of proposals relating to sandwich-class public rental housing (PRH) units, the provision of rent allowance, tax allowance for rent paid, and the examining of the Tenants Purchase Scheme and the Home Starter Loan Scheme. Since we consider these proposals practicable and worthy of examination, we can hardly agree with his amendment if he considers even raising the proposal unacceptable.

As for Ir Dr LO Wai-kwok, he has sought to delete many of our proposals in his amendment, including the proposals to construct 30 000 PRH units, review the applications for PRH of non-elderly singletons and rent allowance, and so on. He has at the same time pointed out that the Government must carefully consider the "Hong Kong property for Hong Kong residents" policy, and even proposed the deletion of "introducing more adjustment measures when necessary". Since his amendment involves many compromises, we will oppose the amendment by Ir Dr LO.

In Mr James TIEN's amendment, he mainly adds a proposal to "properly build an overall land reserve" to my original motion, and proposes "an annual allocation of land for constructing 12 000 flats with limited floor areas". The FTU agrees with these proposals.

Finally, it is about the amendment from Dr KWOK Ka-ki. The content of the amendment mainly seeks to supplement the original motion and add to the original motion point (f), which proposes "the annual provision of at least 5 000 completed HOS" and "prudently setting the prices of HOS flats" no later than 2016, and requests the introduction of the "Tenants Purchase Scheme". The FTU supports the amendment.

President, despite the amendments put forth by various Members today from different angles and based on different views, they mainly hope that the Government will introduce certain specific and practically effective measures to address the housing problem faced by Hong Kong people. Hence, I hope that the original motion and the relevant amendments will be passed today, so that the Government and society, as well as estate developers, will understand clearly that the Legislative Council is unanimous in resolving the housing problem. I hope

Members will adopt the highest-common-factor approach, instead of looking for a completely faultless solution, to support the motion or amendments they consider worthy. I hope to let the public know that the Legislative Council attaches great importance to the housing difficulties now faced by the people of Hong Kong and will urge the Government to implement the relevant measures to solve the problem.

Thank you, President.

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, first of all, I wish to thank Members for the valuable advice they have given on perfecting the housing policy and increasing land supply. I have the following few points to make in response to Members suggestions and concerns.

First, Hong Kong indeed needs land. Members of the public have an ardent demand for residential land. The population of Hong Kong increased from about 5.11 million in 1981 to 7.07 million last year. It is expected that the population will further rise to 8.47 million in 2041. As for the number of households, it has increased from about 1.24 million in 1981 to 2.31 million in 2009 and it is expected to rise to 3.12 million in 2039. The number of members in each family has decreased from 3.9 to 2.9 and it is expected to further drop to 2.7.

Meanwhile, public demand for housing environment, matching facilities nearby and overall town planning has gradually increased. In recent years, the area of private and public residential units has increased. The density of development in the new towns is lower than before. As we undertake planning for residential land, we need to avoid the emergence of screen-like buildings.

Apart from the aforesaid demand for residential land, there is also an ardent demand for land used in various kinds of economic activities such as offices, hotels and logistics facilities. With the economic restructuring of Hong Kong, plus more and more Mainland and foreign enterprises venturing into the territory, the demand for land by various kinds of commercial and service industries will only become greater than ever. According to the report *Hong Kong 2030: Planning Vision and Strategy* published by the Planning Department (PD), it is predicted that during the period from 2003 to 2030, the total floor area required

by Grade A offices, general commercial and various commercial and industrial uses is 11 million sq m.

In addition, there is also a need to look for space for various kinds of public facilities. In recent years, there is also an increasing demand from the public for public facilities like leisure grounds, sports fields, swimming pools and libraries. It is therefore no easy task to identify enough land suitable for the construction of these facilities to cope with the demand of residents in various districts.

President, many Members questioned the figures on the area of vacant land announced by the Development Bureau earlier. They even pointed out that we have not been consistent about these figures. I am obliged to make a clarification here. In 17 October when the Development Bureau gave a reply to a question from Members, it was pointed out that the former Secretary for Development, Mr MAK Chai-kwong, in reply to a question raised by Members on 4 July had mentioned the total area of vacant land. By that he meant the area of Government land which was unleased or unallocated under different land use zonings in statutory town plans, including Outline Zoning Plans and Development Permission Area Plans. The figure concerned was just the result after deducting the area of land leased or allocated from the various land use zonings in the statutory town plans. The area only referred to land area as at end June 2012. The figure should not be considered as the land reserve. We have never said that the figure is the land reserve. Please do not confuse the two concepts. On 17 October when I gave a reply to Members again on this subject, I said that in view of the public concern about the figure, the Development Bureau and the Lands Department (LandsD) had sorted out and made an analysis of the relevant land information and land which was considered unsuitable for development had been deducted. These kinds of land include roads/passageways, man-made slopes or land which is not available for development such as land allocated under Simplified Temporary Land Allocation procedures and fragmented sites. After deducting these kinds of land with a low development potential, there were 391.5 hectares of residential land and commercial/residential land. We uploaded the information on the land area analysis onto the website of the Development Bureau on the same day and maps showing the concerned site boundaries for public perusal. We can say that we have adopted an open and transparent approach and we have been most sincere in discussing with the public the question of land supply in Hong Kong. After these figures were released, the media, members of the public and groups have

raised some queries and we can find quite a number of misunderstandings. Let me give some examples of these.

First, some people raised the question of why some vacant government land for which use has not been determined is not included in the aforesaid 391.5 hectares of land. An example of such vacant land for which use has not been determined is the Government land along the waterfront area of Kennedy Town. It is alleged that the exclusion of this site from the list of vacant Government land announced earlier is evidence that the information contained in the list is incomplete. President, the site along the Kennedy Town waterfront has an area of about 9 hectares. It includes the Kennedy Town temporary playground in Sai Ning Street, the former sites of the incinerator and the abattoirs, the former Mount Davis cottage area and the former police married quarters, and so on. They are included in the land use review of the western part of Kennedy Town currently being undertaken by the PD. Although this review has not been completed yet, the initial plan is to set aside the temporary playground, the former incinerator and some of the site of the former abattoirs as a waterfront promenade and land for leisure use. The PD is working with the Housing Department to explore the possibility of building public housing blocks in the former Mount Davis cottage area and the police married quarters in Ka Wai Man Road.

President, some other people queried why some Government land includes squatter huts and they are included in the 391.5 hectares of land. The land on which these squatter huts are built is Government land and as it is unleased or unallocated, so the area is included. As a matter of fact, if this type of land is required for development, the Government can resume the land for such purpose.

President, owing to the time constraint, I will not refute each one of these queries. I am not saying that the information released by us is all accurate and free of mistakes. Examples are the inclusion of land lots which have been sold or allocated to the Housing Authority in the list of 391.5 hectares of land. This is because the information in the LandsD has not been promptly updated. I have urged the LandsD to review the procedures concerned and make improvements to update information promptly. President, we welcome Members in their efforts to monitor our work and point out our mistakes and omissions. We are most ready to rectify them. Having said that, we would very much hope that

Members can pay attention to the basis and facts behind the figures provided by us as this can facilitate a more effective exchange of views.

President, some Members have pointed out some newspaper reports which queried that the Government has not been effective in using its available land resources. An example is not making use of the following vacant government quarters for development:

- (a) the former staff quarters of the Housing Department in Kwun Tong (4 Tseung Kwan O Road);
- (b) the former staff quarters of the Housing Department in Lok Fu (20 Heng Lam Street, Lok Fu);
- (c) the former staff quarters of the Housing Department in Tin Wan (64 Tin Wan Street, Aberdeen);
- (d) the former police married quarters in Wan Chai (188 Jaffe Road, Wan Chai); and
- (e) the former other ranks married quarters of the police in Western District (289 Des Voeux Road West).

President, with respect to the above staff quarters, those in items (a), (b) and (c) will be redeveloped as quarters for disciplined forces. Item (d) has been demolished and transferred to the LandsD for development. The quarters in item (e) are situated on the earth-retaining wall in Queen's Road West and the demolition works is very complicated. President, I have cited these examples to tell Members that the figures released by us are all based on facts.

President, land supply is not confined to the 391.5 hectares which I have just mentioned. I have said in the opening speech and the replies given many times by the Development Bureau to questions asked by the media or Members that we adopt a multi-pronged approach to tackle the problem of land supply. I have just pointed out that we are undertaking some studies and reviews and the amount of land involved is 2 500 hectares. Some Members have said earlier that this amount of 2 500 hectares of land shows that land supply in future would be

adequate or that this amount of land can all be used for housing construction. I wish to point out that these 2 500 hectares include the North East New Territories New Development Areas (787 hectares), the Hung Shui Kiu New Development Area (790 hectares), land in North New Territories/Yuen Long presently used mainly for industrial uses, temporary warehouses or derelict farmland (257 hectares), Tung Chung new town extension (287 hectares), repair and maintenance depot at Kam Sheung Road/Pat Heung of the West Rail and the adjacent land (138 hectares), industrial land (60 hectares), "green belt" without vegetation cover, derelict or formed (57 hectares), "Government, Institution or Community" land and other Government land (27 hectares) and a number of quarries (168 hectares).

It must be noted that the relevant work is not easy at all. It is very difficult. Apart from detailed planning and studies, many problems will have to be resolved. For technical problems like transport facilities, water supply, sewage disposal, air and noise pollution can be handled. A greater problem is that some people are bound to be affected when we commence these projects. It is therefore vital to foster a dialogue with the stakeholders and members of the public. We will listen with a humble attitude before making an appropriate response. I must point out that opening up these new land lots would often need a very long time and the time taken from planning to making a land lot ready for development would at least require a number of years and it is likely to be 10 years or more. We will be fully committed to doing such work and consult members of the public and stakeholders. We also hope that Members can understand that the questions of whether these projects can be finalized and what the land supply situation in Hong Kong would be like would all hinge on in-depth discussions with members of the public and the stakeholders. We may also have to make a choice between the forms of development, conservation, the enjoyment of life and various other aspects.

President, I would also like to brief Members on the progress of the existing land use. In this regard, the Chief Executive has announced earlier that 36 land lots classified as "Government, Institution or Community" use will be rezoned as residential land. The area of land involved is 27 hectares and it is expected that 11 900 residential units in both the public and private sectors can be provided. Of these, 10 lots have been zoned or rezoned as residential use. The PD will work hard to make the rezoning of the remaining lots its priority.

Second, the PD has completed its first stage review of the green belts. It is found that in the New Territories, there are green belts without vegetation cover, derelict or formed and hence suitable for residential development. The area totals 57 hectares.

Third, of the 60 hectares of industrial land of which a review was completed in 2009, the title of five lots totalling 6.7 hectares in area belongs to the Government. A proposal has been made to use these lots for private or public housing development. Also, we are promoting a policy of revitalizing factory buildings, for the better use of these factory buildings, especially those which have been rezoned for non-industrial uses. The policy can hopefully assist owners of these factory buildings to redevelop these buildings or change their present use in order to achieve the aim of making the best use of land available.

To tie in with the overall land supply, we will work with the PD and LandsD to carry out a systematic review of all types of land mentioned above in order to examine each lot of land more efficiently and make the best use of its development potential.

Some Members have mentioned the issue of urban renewal earlier. I would just want to talk about three points briefly. First, we have rolled out a pilot scheme on redeveloping factory buildings into residential developments or factories. The Urban Renewal Authority (URA) has chosen two blocks of industrial buildings for this pilot scheme. One site will be redeveloped as residential land, while the other will be developed as commercial land. On the other hand, the Demand-Led Redevelopment Projects of the URA are quite well-received. After handling the applications in the first round, the URA has also begun the first project. The URA has received many applications in the second round. As a Policy Bureau, we will certainly encourage people to participate in the projects and we will give them policy support.

As for the redevelopment of the 13 Streets area in To Kwa Wan which Dr CHIANG Lai-wan mentioned earlier, the case is like this: We have acted according to the Urban Renewal Strategy published in 2011 and set up the first District Urban Renewal Forum in Kowloon City to enhance planning for urban renewal at the district level. This Forum will make recommendations on the district urban renewal plan to the Government through the Secretary for



Development. These recommendations will cover how the core business of the URA is to be matched, the scope of redevelopment and renovation, as well as projects of conservation and revitalization. In May this year, the Forum hired consultants to carry out the Stage 1 Public Engagement on the Preliminary Urban Renewal Proposals for Kowloon City made by the Forum. Under the Preliminary Proposals, it is proposed that the 13 Streets area in To Kwa Wan is suitable for redevelopment and it should be accorded priority for redevelopment. The social impact assessment consultant hired by the Forum is presently making an analysis and assessment of the views collected from residents and commercial tenants on the Preliminary Proposals. It is planned that Stage 2 of the Public Engagement will begin in the first quarter of 2013. Since there are many vehicle repair workshops and other related economic activities in the 13 Streets area, these must be taken into carefully consideration in any redevelopment proposal.

President, the last point I wish to make is on simplifying the land grant procedures. In recent years, as a result of a number of measures introduced by the LandsD to simplify and speed up the processing of applications for lease modification and land exchange, the applicants are informed of the suggested terms and amount of premium payable at an earlier date. This can facilitate the early completion of the development project in question and hence increase the supply of residential units. However, if the applicants dispute the suggested terms and in particular the amount of premium payable and if they lodge an appeal, then this will affect the processing of their applications. It may take a longer time before an agreement is reached between the parties concerned.

The Hong Kong West and South District Lands Office set up a dedicated committee as a trial scheme from April 2008 to March 2011 on the operation of a merged administrative framework. The aim was to speed up the processing of applications for lease modifications and land exchanges. In view of the desirable results obtained, after the expiry of the trial, the District Lands Office still operates a dedicated committee to process applications for lease modifications and land exchanges. In addition, the LandsD handles all major development projects of the District Lands Offices at its headquarters. By major development projects we mean projects with an estimated total floor area of more than 10 000 sq m after lease modification or land exchange, or an estimated premium payable of more than \$100 million. Such kind of centralized premium assessment is undertaken by the LandsD in its headquarters. The aim of this is to speed up the procedures for premium assessment. Therefore, the average

time for processing premium assessment has been shortened by eight weeks, that is, from 14 weeks to six weeks.

The LandsD has also enhanced the fast-track procedures for appeals lodged in respect of premiums. The procedures are applicable to premium appeals lodged for the second and third times. Under the fast-track procedures, an applicant may submit a counter-proposal and justifications within 12 working days and the LandsD will make a reply within 24 days thereafter. This enables the time taken for processing second- and third-time appeals for premiums to be reduced by about four months. The LandsD will keep a close watch on work in lease modification and land exchange, and it will also explore how best the relevant procedures can be further simplified and expedited.

President, I wish to emphasize to Members once again that the housing problem tops the agenda of the current-term Government and it is also considered a priority task to complete by all the related departments. In the face of a great housing demand, the only way out for us is to increase and ensure a steady supply. This can hopefully meet the demand of different groups in society for housing and home ownership. The position of the Development Bureau is that it will not miss a single piece of land that can be developed. We will make the best use of available land and open up new land in order to increase the supply of land for residential development in the short, medium and long terms.

I wish to thank Mr WONG Kwok-hing again for proposing this motion today and the seven Members who have proposed amendments respectively, as well as the other 30 Members who have spoken. I hope that in future, we can have more opportunities to discuss with Members the question of opening up more land. This kind of exchanges will certainly make our work better. Thank you, President.

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, in today's motion debate, more than half of all Legislative Council Members have spoken. I think the message that has been conveyed is very clear, that is, to increase the quantity of public housing and HOS flats built and increase land supply. These are also the goals that the Government is striving to achieve. As Dr LAM Tai-fai said just now, the housing problem is a problem troubling all 7 million people in Hong Kong. Miss Alice MAK asked the

Secretary how 35 000 units could be built each year. I believe you have been misled by the report of a particular newspaper. I have never talked about building 35 000 units each year. When I attended a residents' meeting in Sham Shui Po, it was suggested that 35 000 units be built each year. In response, I said that I believed on the basis of building 15 000 units each year, apparently, the demand could not be met.

Several Members hope that the Government can further shorten the average waiting time for people on the Waiting List from three years to two years. However, I must point out that given the increasing number of applications on the Waiting List and the still strained land resources for housing at present, it is already a great challenge for us to achieve the target of an average waiting time of about three years for applicants on the Waiting List. Therefore, we do not consider it preferable to reduce the target waiting time of about three years to two years without due consideration. However, we would accord priority to looking at how the various arrangements under the process of waiting for public housing can be improved, how the efficiency of public housing allocation can be enhanced and how unnecessary waiting periods can be reduced to ensure that the eventual waiting time before the first flat offer can approximately be three years as far as possible.

In addition, we are trying our best to expedite the process of supplying public housing, for example, by compressing the process of construction and identification of site for housing construction. However, sometimes, when looking for appropriate sites for the construction of public housing, we encountered difficulties in securing the support of people in the local communities. Often, different land uses would also compete for the limited land supply. I wish to take the opportunity today to once again call on the whole community to forge a consensus and make concerted efforts to identify sites for the construction of public housing, so that low-income people with basic housing needs can move into public housing at an early date. Just now, Mr WONG Yuk-man also made the call to "build more public rental housing" but our measures are not confined to these five words alone. I think we also need to act on these four words: "Find more land lots". In the foreseeable future, starting from 2016-2017, new HOS units will come on stream. This will be conducive to the circulation of public housing units, so that the number of public housing units that can be recovered by us and reallocated to needy people will increase. Under the long-term housing strategy, a detailed assessment will be conducted on

the overall demand and supply of public housing in the future, including the number of new public housing units to be built. It is possible that the waiting system will also be reviewed.

Mr WU Chi-wai raised the issue of the redevelopment of public housing estates. At present, the Hong Kong Housing Authority (HA) is carrying out a major redevelopment programme at Pak Tin Estate and we will also consider the feasibility of redeveloping other large public housing estates with a long history.

Just now, in my opening speech, I said that the situation of the Quota and Points System for non-elderly one-person applicants of public rental housing (PRH) would be reviewed to see what improvements could be made.

Mr LEUNG Yiu-chung suggested putting people in different queues and of course, this can be considered under the long-term housing strategy review. Miss Alice MAK enquired about the original date of sale of the project located at Tsing Luk Street, Tsing Yi under the My Home Purchase Plan and in fact, the Hong Kong Housing Society has announced that applications will be accepted at the end of this year.

President, we fully understand the housing needs of residents living in poor conditions, including residents in "sub-divided units". We will find ways to resolve this issue gradually by increasing PRH supply. At present, if tenants of "sub-divided units" are made homeless and need temporary housing because of the law-enforcement operations of the Government, they can move into the HA's transit centres on referral by the relevant government departments, such as the Buildings Department and the Lands Department. If they have stayed in transit centres for three months and passed the "homeless test", and if they meet the eligibility criteria for joining the Waiting List, arrangements will be made for them to move into interim housing in the New Territories first and wait for the allocation of PRH units under the Waiting List system.

President, some Members believe that the Government should provide a rent allowance to low-income people, whereas other Members have opposing views. This precisely shows that there are problems in the feasibility of this proposal because there is concern that landlords would take advantage of this development by increasing rents, so there will be more to lose than to gain. At present, people with a pressing need for housing can consider applying to the HA

for compassionate rehousing if the Social Welfare Department so recommends, and they can also be allocated PRH units at an earlier date under the Express Flat Allocation Scheme.

A number of Members suggested that the Government reintroduce rent control. Rent control was lifted in June 2004 after Third Reading in the Legislative Council. This move had gone through public consultation and scrutiny by the relevant Bills Committee of the Legislative Council. A balance was struck between the rights of the landlords in various classes and those of tenants.

At present, the Government has no plan to reintroduce the rent control of the past. Nevertheless, we are concerned about the recent trend of rising rents. The views on rent control in society are divergent and there were also views for and against it in the debate just now. Some people are concerned that rent control may dampen the desire of landlords to let their units, thus reducing the supply of rental units in the market and putting people needing accommodation at a disadvantage. Therefore, any proposal on rent control must be considered prudently and a balance has to be struck between the due rights of landlords and those of tenants to ensure that no counterproductive effects would arise when the measure is implemented and that the rental market can develop in a sound and stable manner.

I also agree with Mr CHEUNG Kwok-che's comment that public housing is an even more effective way of alleviating poverty. President, a number of Members have talked about how the Government can assist the public in acquiring their own homes. Since the demand of the public for new HOS units is very keen, we have taken special measures in an endeavour to compress the process of the relevant projects in the technical and engineering aspects as far as possible and make optimal use of the time, so as to put them on sale as soon as possible.

We would launch pre-sales of HOS units. It is expected the pre-sale of the first batch of new HOS units to be completed in 2016-2017 will be launched in 2014-2015. We are aware of the suggestion that in the future, the pre-sales of future HOS units should be brought forward and just now, a Member also proposed the forward provision of uncompleted HOS flats. The longer the interim between the pre-sale of uncompleted HOS units and completion is, the

greater the risk borne by buyers in the event of a reversal in the market. Therefore, when the HA considers extending the pre-sale period of HOS flats, an appropriate balance has to be struck.

Some Members believe that the Government should reintroduce the Tenants Purchase Scheme (TPS), that is, public housing tenants should be allowed to buy the units in which they are living. On this issue, when I replied to an oral question in the Legislative Council last Wednesday, I already explained the Government's considerations. Here, let me reiterate in brief that the number of applications for PRH is on the increase. When the public demand for PRH is keen, apart from the newly built units each year, recovered units also represent an important source of public housing supply. If we sell the PRH units to their tenants, this would mean a reduction in the total supply of PRH. This would inevitably affect the circulation and supply of PRH units and eventually compromise the HA's ability to adhere to its target of keeping the waiting time for ordinary applicants at about three years on average.

At present, we have no intention of extending the TPS to other public housing estates. However, the PRH tenants living in the 39 TPS estates at present can still choose to buy the units rented by them. Other public housing residents who wish to acquire their own properties can also buy TPS units and HOS units in the secondary market without having to pay premiums. The number of units with premium not yet paid stands at some 370 000 in total. As regards the question of whether or not there is any room for improvement in the arrangements for the original TPS estates, as Mr Alan LEONG said just now, we can certainly look into this.

A Member proposed the reintroduction of the Home Starter Loan Scheme. In the course of the debate, I could hear supportive and opposition views among Members. According to the Government's past experience, of the cases in which full repayment has been made, instances of default could be found in more than half of them. This may have to do with the economic situation at that time. As regards the cases in which full repayment has not been made, there are about 4 700 such cases and instances of default could also be found in over 30% of them. In addition, there were also some 1 200 cases involving bankruptcy. Up to now, this scheme has created about \$490 million in bad debt for the Government. Therefore, we believe that when considering any proposal to

finance members of the public in acquiring properties in the form of loans or cash, we must carefully consider the potential effects of the proposal on the public's affordability and the market.

President, lastly, we also understand the concerns of some Members about soaring property prices in the context of the excessive supply of liquidity and exceptionally low interest rates. Just now, in my opening speech, I said that on 26 October, the Financial Secretary had announced a new round of measures to manage demand and I know that some Members disagree with the Special Stamp Duty and Buyer's Stamp Duty. Mr Charles Peter MOK said that this might affect overseas talents in coming to Hong Kong to work and develop their career and Mr Andrew LEUNG is also concerned about the potential impact of this duty on the purchase of properties by SMEs. However, I wish to point out that when announcing these measures, the Financial Secretary explained that they were extraordinary measures introduced under exceptional circumstances and that the Government would closely monitor movements in the market trend and take actions accordingly.

President, through the motion debate today, I have been able to fully understand Members' expectations for the long-term housing strategy review. This long-term review would not be used as an excuse to delay short-term measures. I hope a formal consultation document would become available for public consultation by the middle of next year. In this process, of course, we will listen to the views of Legislative Council Members. We hope that through a review of the long-term strategy, a breakthrough can be achieved in solving the housing problem in Hong Kong. We will surely make reference to the views expressed by Members in today's debate very seriously.

Thank you.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan, you may now move the amendment to the motion.

**MR LEE CHEUK-YAN** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.

**Mr LEE Cheuk-yan moved the following amendment: (Translation)**

"To add 'this Council considers that the enjoyment of a dignified living environment is a basic human right, and the Government's housing policy must ensure that people of different genders, ages, ethnicities, family compositions, financial means or health conditions may all enjoy the right to proper accommodation, and since the right to accommodation does not necessarily have to be manifested in property ownership, the Government must at the same time ensure that people renting flats may also enjoy the right to dignified and proper accommodation; given that' after 'That'; to delete '; in this connection' after 'more severe'; to add '(j) to reinstate rent control for preventing landlords from increasing rents drastically and terminating tenancy agreements arbitrarily, so as to protect the rights and interests of private housing tenants; (k) to immediately crack down on residential units which pose immediate structural, fire or hygiene hazards, and properly rehouse affected households;' after 'renting private residential units;'; to delete the original '(j)' and substitute with '(l)'; and to delete the original '(k)' and substitute with '(m)'."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEE Cheuk-yan to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands?

(Members raised their hands)

Mr LEE Cheuk-yan rose to claim a division.



**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping and Mr TANG Ka-piu voted for the amendment.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr NG Leung-sing, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kiwok, Mr Christopher CHEUNG, Mr Dr LO Wai-kiwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Mr WONG Ting-kiwok, Ms Starry LEE, Dr LAM Tai-fai, Mr IP Kwok-him, Mr Steven HO and Mr Martin LIAO abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Dr Priscilla LEUNG, Mr Michael TIEN and Mr James TIEN voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr Paul TSE, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 11 were in favour of the amendment, 14 against it and six abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, 19 were in favour of the amendment, three against it and nine abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**MR ANDREW LEUNG** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on " Perfecting housing policy and resolving public housing need" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on " Perfecting housing policy and resolving public housing need" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr LEUNG Che-cheung, you may move your amendment.

**MR LEUNG CHE-CHEUNG** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.

**Mr LEUNG Che-cheung moved the following amendment: (Translation)**

"To add ", given that" after "That"; to delete "; in this connection" after "more severe"; to add "expeditiously roll out those land development plans the consultation procedures of which have been completed, and" after "(b) to"; to add "private residential flats as well as" after "undertake planning for the construction of"; to delete "households" after "tax allowance to eligible" and substitute with "taxpayers"; to add "expediting the implementation of the New Home Ownership Scheme with an

increased number of units being put on sale annually, reintroducing the Sandwich Class Housing Scheme, and" after "their homes, including"; to delete "and" after "their own homes;" and substitute with "(k) to increase the number of units for allocation under the Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme, so as to enable more households to improve their living environment; and"; to delete the original "(k)" and substitute with "(l)"; and to add "and the Buyer's Stamp Duty when necessary" after "special stamp duty"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEUNG Che-cheung to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr LEE Cheuk-yan rose to claim a division.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Ting-kwong, Mr CHAN Kin-por, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr KWOK Wai-keung, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Abraham SHEK, Mr Frederick FUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Christopher CHEUNG and Ir Dr LO Wai-kwok voted against the amendment.

Mr Albert HO, Mr James TO, Dr Joseph LEE, Dr LAM Tai-fai, Mr CHEUNG Kwok-che, Mr NG Leung-sing, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Dennis KWOK, Mr IP Kin-yuen and Mr Martin LIAO abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Paul TSE, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEUNG Yiu-chung, Dr Priscilla LEUNG and Michael TIEN voted against the amendment.

Mr LEE Cheuk-yan, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 13 were in favour of the amendment, six against it and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, 13 were in favour of the amendment, three against it and 15 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Mr Gary FAN, you may move your amendment.

**MR GARY FAN** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.

**Mr Gary FAN moved the following amendment: (Translation)**

"To add ", given the gravity of Hong Kong's housing problem," after "That"; to add "therefore" after "the Chief Executive"; to delete "examine" after "(b) to" and substitute with "avoid using private land acquisition as a means to increase the supply of residential lands, and give priority to using"; to delete "review" after "at the same time to" and substitute with "abolish"; and to delete "assist" after "applicants, so as to" and substitute with "give fair treatment to"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Gary FAN to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr LEUNG Kwok-hung rose to claim a division.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Kwok-che, Mr YIU Si-wing, Mr Charles Peter MOK, Mr Dennis KWOK and Mr POON Siu-ping voted for the amendment.

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr Steven HO, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr Tommy CHEUNG, Mr Vincent FANG, Dr LAM Tai-fai, Mr NG Leung-sing, Mr Frankie YICK, Mr MA Fung-kwok, Mr KWOK Wai-keung, Mr TANG Ka-piu and Mr CHUNG Kwok-pan abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki and Dr Fernando CHEUNG voted for the amendment.

Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr Paul TSE, Mr Michael TIEN, Mr WU Chi-wai, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mr WONG Kwok-kin, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr James TIEN, Mr CHAN Chi-chuen and Miss Alice MAK abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, five were in favour of the amendment, 17 against it and nine abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, nine were in favour of the amendment, 15 against it and seven abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Mr Michael TIEN, you may move your amendment.

**MR MICHAEL TIEN** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.



**Mr Michael TIEN moved the following amendment: (Translation)**

"To add ", given that" after "That"; to delete "; in this connection" after "more severe"; to add ", and to consider adding provisions relating to first-time home acquisition" after "Hong Kong residents"; to delete "annual public rental housing ('PRH') production to" after "to increase the" and substitute with "land supply for public rental housing ('PRH') construction in order to achieve an annual production of"; to delete "(g) to introduce sandwich-class PRH units to enable those households and persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure;" after "PRH allocation;"; to delete the original "(h)" and substitute with "(g)"; to delete "(i) to offer rent allowance to low-income persons, including expeditiously reviewing and increasing the rent allowance under the Comprehensive Social Security Assistance Scheme, providing rent allowance to eligible households waiting for PRH and offering a tax allowance to eligible households with no property for renting private residential units;" after "provide care for them;"; to delete the original "(j)" and substitute with "(h)"; to delete "including enhancing the former Home Starter Loan Scheme and the Tenants Purchase Scheme," after "acquiring their homes,"; and to delete the original "(k)" and substitute with "(i)"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Michael TIEN to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr WONG Kwok-hing rose to claim a division.

**PRESIDENT** (in Cantonese): Mr WONG Kwok-hing has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr LAM Tai-fai, Mr CHAN Kin-por, Mr YIU Si-wing and Mr Martin LIAO voted for the amendment.

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr Charles Peter MOK, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Mr NG Leung-sing and Mr MA Fung-kwok abstained.

Geographical Constituencies:

Mr Paul TSE and Mr Michael TIEN voted for the amendment.

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, four were in favour of the amendment, 25 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, two were in favour of the amendment and 29 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Ir Dr LO Wai-kwok, you may now move your amendment.

**IR DR LO WAI-KWOK** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.

**Ir Dr LO Wai-kwok moved the following amendment: (Translation)**

"To add ", given that" after "That"; to delete "; in this connection" after "more severe"; to delete "to expeditiously inform members of the public

of the policy details, implementation particulars, arrangements and implementation timetable relating to 'Hong Kong property for Hong Kong residents'" after "(d)" and substitute with "as the Government has earlier announced the levying of a 15% additional Buyer's Stamp Duty on non-local buyers, which increases non-local buyers' property purchase costs and may create an effect similar to that of the 'Hong Kong property for Hong Kong residents' policy, to carefully consider and explain to the public the policy details of 'Hong Kong property for Hong Kong residents' as soon as possible"; to delete "to 30 000 units or more for accelerating the time for allocating units to the existing applicants on the Waiting List to two years" after "(PRH) production" and substitute with "for gradually shortening the waiting time of family applicants and non-elderly one-person applicants over the age of 35 to two years"; to delete ", and at the same time to review the Quota and Points System for non-elderly one-person applicants, so as to assist singletons with genuine housing difficulties in getting PRH allocation" after "currently waiting for PRH" and substitute with "; to provide needy young people with youth hostel units on a rental basis for helping them to save money for home purchase; and to specify a maximum rental period for such units to increase their turnover"; to delete "introduce sandwich-class PRH units to enable those households and persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure" after "; (g) to" and substitute with "relax the asset limits for Home Ownership Scheme ('HOS') applicants to benefit more people and make them eligible for purchasing HOS flats, so as to resolve the housing problem"; to delete "(i) to offer rent allowance to low-income persons, including expeditiously reviewing and increasing the rent allowance under the Comprehensive Social Security Assistance Scheme, providing rent allowance to eligible households waiting for PRH and offering a tax allowance to eligible households with no property for renting private residential units;" after "provide care for them;"; to delete the original "(j)" and substitute with "(i)"; to delete the original "(k)" and substitute with "(j)"; and to delete ", and introduce more adjustment measures whenever the hot money flows in and the property prices continue to rise, including increasing the effectiveness of the special stamp duty and revising the loan-to-value ratio for non-owner-occupied units, so as to avoid the formation of a property bubble" immediately

before the full stop and substitute with "as well as the impacts of the two stamp duty measures introduced earlier on employment, the market situation and the supply of housing, and to adjust the strength of its efforts in suppressing the property market having regard to the circumstances, so as to avoid repeating the past mistake of the policy of '85 000 units'".

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ir Dr LO Wai-kiwok to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr Andrew LEUNG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Andrew LEUNG has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Abraham SHEK, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr YIU Si-wing, Mr Christopher CHEUNG, Mr Martin LIAO and Ir Dr LO Wai-kwok voted for the amendment.

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr Charles Peter MOK, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Dr LAM Tai-fai, Mr NG Leung-sing and Mr MA Fung-kwok abstained.

Geographical Constituencies:

Dr Priscilla LEUNG and Mr Paul TSE voted for the amendment.

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr Michael TIEN, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, seven were in favour of the amendment, 20

against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, two were in favour of the amendment and 29 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr James TIEN, you may move your amendment.

**MR JAMES TIEN** (in Cantonese): President, I move that Mr WONG Kwok-hing's motion be amended.

**Mr James TIEN moved the following amendment: (Translation)**

"To add "in recent years, the society has been increasingly vocal in requesting the Government to show concern over soaring property prices, and" after "That"; to add "notwithstanding the Government's recent introduction of two measures in an attempt to cool down the property market, the fundamental factor of insufficient land supply is not touched upon, and therefore the measures can at most treat the symptoms only, and in the long run will not be conducive to the healthy development of the property market;" after "more severe;"; to add "and actions" after "focusing on planning"; to add "land supply and" after "medium-term and long-term"; to add "(a) to properly build an overall land reserve and launch long-term land supply planning, so as to meet Hong Kong's short-, medium- and long-term demand for land; in the short term, to further streamline land grant procedures, promptly release idle land lots and allow the direct conversion of industrial buildings into residential buildings after paying land premiums, etc.; and in the medium term and long term, to expedite the identification of land lots for building new development areas, optimize the use of rock caverns to vacate more land for residential development, and carry out reclamation on an appropriate scale at suitable sites outside the Victoria Harbour, etc.;" after "measures should include;"; to delete the original "(a)" and substitute with "(b)"; to delete the original "(b)" and substitute with "(c)"; to add "various types of residential units, including" after "undertake planning for the construction of"; to delete the original "(c)" and substitute with "(d)"; to delete the original "(d)" and

substitute with "(e)"; to add "; and to make an annual allocation of land for constructing 12 000 flats with limited floor areas for Hong Kong residents who are first-time home buyers, so as to meet people's demand for "boarding the train" after "Hong Kong residents"; to delete the original "(e)" and substitute with "(f)"; to delete the original "(f)" and substitute with "(g)"; to delete the original "(g)" and substitute with "(h)"; to delete the original "(h)" and substitute with "(i)"; to delete the original "(i)" and substitute with "(j)"; to delete "offer" before "rent allowance to low-income persons" and substitute with "conduct studies on offering"; to add "and" after "Comprehensive Social Security Assistance Scheme,"; to delete "and offering" after "eligible households waiting for PRH" and substitute with "; and to offer"; to delete the original "(j)" and substitute with "(k)"; and to delete the original "(k)" and substitute with "(l)."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr James TIEN to Mr WONG Kwok-hing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr James TIEN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr James TIEN has claimed a division. The division bell will ring for one minute.



**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Vincent FANG, Dr Joseph LEE, Mr WONG Ting-kwong, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Frederick FUNG and Mr Christopher CHEUNG voted against the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr CHEUNG Kwok-che, Mr MA Fung-kwok, Mr Martin LIAO and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Paul TSE, Mr Alan LEONG, Mr James TIEN, Mr WU Chi-wai, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr Michael TIEN and Mr CHAN Chi-chuen voted against the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Dr Priscilla LEUNG, Mr Gary FAN and Dr Fernando CHEUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 20 were in favour of the amendment, two against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, 21 were in favour of the amendment, four against it and six abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**PRESIDENT** (in Cantonese): Members have been informed that Dr KWOK Ka-ki will withdraw his amendment if Mr James TIEN's amendment is passed. As this is the case now, Dr KWOK Ka-ki has therefore withdrawn his amendment.

**PRESIDENT** (in Cantonese): As Mr WONG Kwok-hing has already used up his speaking time, he cannot speak in reply.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Kwok-hing, as amended by Mr James TIEN, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

#### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 14 November 2012.

*Adjourned accordingly at three minutes past Twelve o'clock in the morning.*



## Appendix I

**WRITTEN ANSWER****Written answer by the Secretary for Food and Health to Dr LEUNG Ka-lau's supplementary question to Question 4**

To address the growing demand for Accident & Emergency Department (AED) services, the Hospital Authority (HA) has implemented a pilot scheme to recruit extra medical and nursing staff for providing support sessions, thereby allowing the AED staff to focus on patients in more urgent medical conditions as well as alleviating their workload and pressure.

Under the pilot scheme, medical and nursing staff from public hospitals are recruited to assist in the support sessions. The support sessions, each lasts for four hours, operate on week-day evenings, Saturdays, Sundays and public holidays to handle patients attending the AED. The medical and nursing staff recruited under the pilot scheme will be provided with appropriate training and supervision, and receive a special honorarium according to their respective working hours.

The HA will review the effectiveness of the pilot scheme. Subject to the manpower situation, the arrangements for providing support sessions will be adjusted to relieve the pressure of the AED as appropriate.