

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 25 June 2014

The Council met at Eleven o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, B.B.S., M.H.

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P., Ph.D.,  
R.N.

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 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 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

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

**MEMBERS ABSENT:**

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

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

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

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

**CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MR ANDY LAU KWOK-CHEONG, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

**PRESENTATION OF PETITION**

**PRESIDENT** (in Cantonese): In accordance with Rule 20 of the Rules of Procedure, Mr WU Chi-wai will present a petition co-signed by Mr WU Chi-wai and Mr Charles Peter MOK to this Council.

**MR WU CHI-WAI** (in Cantonese): President, thank you for your permission for me to present this petition. The petition is proposed by me and Mr Charles Peter MOK, with the support of 21 colleagues. I will briefly state the content of the petition.

Some time ago, the Government announced that the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) would not be completed and would not commence service in 2015 as scheduled. It was revealed in the information disclosed subsequently that the MTR Corporation Limited (MTRCL) and the Government knew that the XRL project could not be completed on schedule as early as last year, yet they have never explained the case to the public and the Legislative Council. Moreover, it is indicated in the information that there are significant loopholes in the monitoring of the MTRCL by the government departments concerned, as well as the internal management and project supervision of the MTRCL.

Since the Legislative Council approved the provision of \$6.7 billion for the XRL project back then, I implore Honourable Members to follow up the incident together to pursue the accountability of government officials and the MTRCL, fulfilling the duties of this Council in monitoring the use of public funds.

Thank you, President.

(See Annex I for content of the petition)

(Mr Charles Peter MOK rose immediately)

**MR CHARLES PETER MOK** (in Cantonese): President, in accordance with Rule 20(6) of the Rules of Procedure, I request that the petition be referred to a select committee.

**PRESIDENT** (in Cantonese): I now call upon Members who support this request to rise in their places.

(Members supporting the request rose)

**PRESIDENT** (in Cantonese): Will Members please remain standing to allow the Clerk to do a headcount.

(After doing the headcount, the Clerk indicated to the President that the record had been completed)

**PRESIDENT** (in Cantonese): Members will please now be seated.

(Members sat down)

**PRESIDENT** (in Cantonese): Members who support this request are Mr WU Chi-wai, Mr James TO, Mr Albert HO, Ms Cyd HO, Mr CHEUNG Kwok-che, Mr LEUNG Yiu-chung, Mr IP Kin-yuen, Dr Helena WONG, Ms Emily LAU, Mr LEE Cheuk-yan, Dr Fernando CHEUNG, Mr Kenneth LEUNG, Mr Charles Peter MOK, Mr SIN Chung-kai, Mr Dennis KWOK, Dr KWOK Ka-ki, Ms Claudia MO, Mr Alan LEONG, Mr Gary FAN, Mr Frederick FUNG and Prof Joseph LEE. There are 21 Members in total.

In accordance with Rule 20(6) of the Rules of Procedure, the petition is referred to a select committee.

## **TABLING OF PAPERS**

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

Subsidiary Legislation/Instrument	<i>L.N. No.</i>
Rules of the High Court (Amendment) Rules 2014 .....	94/2014

**Other Papers**

No. 107 — Securities and Futures Commission  
Annual Report 2013-14

No. 108 — Investor Education Centre  
Annual Report 2013-14

No. 109 — Airport Authority Hong Kong  
Annual Report 2013/14

Report of the Bills Committee on Inland Revenue (Amendment) Bill 2014

**ORAL ANSWERS TO QUESTIONS**

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

**Tackling Challenges Arising from an Ageing Population and a Shrinking Labour Force**

1. **MR TAM YIU-CHUNG** (in Cantonese): *According to the projections made by the Census and Statistics Department, the labour force is expected to increase from last year's 3.59 million to the peak of 3.71 million in 2018 and then decline gradually. Although the Civil Service Bureau is conducting a consultation on the extension of the service of civil servants, there are views that the authorities should formulate a comprehensive strategy to tackle the challenges arising from an ageing population and a shrinking labour force. In this connection, will the Government inform this Council:*

- (1) *of the occupations which are currently subject to a statutory retirement age and the requirements concerned; whether it has compiled statistics on such occupations in relation to the average retirement age in the past three years, the number of serving employees, as well as the number and percentage of those employees expected to be retiring within the coming three years;*

- (2) *given that senior people of the present age generally have better health conditions than those in the past, and that technological advancements have rendered many occupations less physically demanding than in the past whether the authorities have plans to conduct a review and industry consultations on whether the statutory retirement ages of various occupations still suit the present circumstances, so as to explore whether there is room for upward adjustment of the retirement ages; if they have such plans, of the details; if not, the reasons for that; and*
- (3) *whether it has studied and formulated measures to tackle the prevailing challenges arising from an ageing population and a shrinking labour force, so as to maintain Hong Kong's competitiveness; if it has, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, my main reply to Mr TAM Yiu-chung's main question is as follows:

- (1) and (2)

Apart from the retirement age of civil servants, there are other ordinances which also regulate the retirement age of their relevant practitioners, including the Security and Guarding Services Ordinance (Cap. 460), the Pilotage Ordinance (Cap. 84) as well as the Education Ordinance (Cap. 279).

Under the Security and Guarding Services Ordinance, there are four categories (A, B, C and D) of Security Personnel Permits (SPP). Category B SPP covers a wide range of security services. Its holders may perform guarding work in respect of any persons, premises or properties. Category C SPP is required for performing guarding work which requires the carrying of arms and ammunition. Taking into consideration the requirements of these two types of guarding work in respect of the physical ability and alertness of the practitioners, as well as their social importance, the upper age limits for Categories B and C SPP are set at 65 and 55 years old respectively. The statistics of the holders of these two categories of SPP are at Annex 1.

Those who have exceeded the upper age limits of Categories B and C SPP may apply for Category A SPP. Category A SPP does not have any upper age limit. Holders of Category A SPP may perform guarding work for "single private residential buildings".

To ensure navigational safety of non-local vessels within the waters of Hong Kong, the Pilotage Ordinance stipulates that all vessels of 3 000 gross tonnage or over and some other specified vessels, while navigating in the waters of Hong Kong, shall be under the pilotage of licensed pilot. An age restriction is imposed on the relevant work considering that a pilot must possess normal vision and is mentally and physically fit. In 2013, the Ordinance was amended to allow Class I pilots beyond the age of 65 to continue to work in accordance with their licences until the age of 68. The statistics of serving and retired pilots are set out at Annex 2.

Under the Education Ordinance, a teacher or principal of an aided school shall normally not continue to be employed if he/she has attained the age of 60 years or more before the commencement of the school year. However, the Permanent Secretary for Education may issue to the School Management Committee or Incorporated Management Committee of the aided school concerned permission to continue to employ the teacher or principal aged 60 or above for a period of not more than one school year. The maximum aggregate period for which permission may be issued shall be five consecutive school years. Please refer to Annex 3 for statistics on teachers of public sector secondary and primary Schools. The Education Ordinance has already provided flexibility for School Management Committee or Incorporated Management Committee of aided schools to apply for extension of services for teachers and principals.

- (3) The Steering Committee on Population Policy (SCPP), chaired by the Chief Secretary for Administration, conducted a public engagement exercise on population policy from October last year to February this year. In discussing ways to unleash the potential of existing population, the consultation document recommends extending working life and helping mature workers stay in the labour force longer. During the public engagement exercise, the SCPP received many views that supported extending the retirement age of

the working population as one of the major strategies to tackle the challenge of a dwindling labour force. In this connection, the Civil Service Bureau briefed the SCPP on the consultation on the extension of the service of civil servants at the latest meeting last Monday (23 June 2014). The SCPP agreed to the proposal to adopt a higher retirement age for new recruits to the Civil Service from a future date, and considered that such a move could serve as a model for other public sector and subvented organizations as well as private enterprises to follow. The SCPP will follow up on the retirement age limit set in specific occupations (including those mentioned in the paragraphs above) which were imposed having regard to their specific contexts and rationales. The Secretariat of the SCPP will invite the concerned bureau to brief on and explain the relevant contexts and rationales with a view to facilitating the SCPP in considering and making recommendation on whether follow-up action would be necessary.

Having considered the views received, the SCPP has identified several policy areas, in addition to the issue of retirement age, which require follow-up actions to tackle the challenges of an ageing population and a shrinking workforce. A list of the policy areas is at Annex 4. The relevant bureaux and departments will start their internal studies on the above measures and will submit concrete proposals to the Steering Committee in due course.

## Annex 1

Statistics of Categories B and C Security Personnel Permit Holders  
(Up to end of May 2014)

	<i>Number of Holders</i>	<i>Estimated Number of Serving Security Personnel</i>
Category B	Around 264 100	Around 123 800
Category C	Around 1 500	Around 1 200

Note:

The Administration does not have any information on the average retirement age of security personnel or estimate of the numbers of security personnel about to retire.

### Statistics of Serving and Retired Pilots

#### *Serving Pilots*

At present, there are a total of 108 serving licensed pilots and three apprentice pilots.

#### *Retired Pilots*

Four pilots retired in the past three years at an average retirement age of 62 years. Nine licensed pilots are expected to retire in the coming three years, which represents about 8% of the total number of serving pilots.

### Statistics on Teachers in Public Sector Secondary and Primary Schools

- A. The total number of teachers, number of teachers reported to have retired and the average age of the retired teachers in public sector secondary and primary schools

	<i>2011-2012 School year</i>	<i>2012-2013 School year</i>	<i>2013-2014 School year</i>
Total number of teachers	43 533	41 982	41 817
Number of teachers reported to have retired	466	777	492
Average age of the retired teachers (as at 31 August before the commencement of the respective school year)	59	58	59

Note:

The number of teachers and other related statistics include principals. The total number of teachers does not include the number of retired teachers in the respective school year.

- B. The estimated numbers of teachers (including principals) who will reach the age of 60 in public sector secondary and primary schools

<i>School year</i>	<i>Number of teachers (percentage)</i>
2014-2015* (as at 31.8.2014)	about 480 (1.1%)
2015-2016 (as at 31.8.2015)	about 490 (1.2%)
2016-2017 (as at 31.8.2016)	about 500 (1.2%)

Notes:

- \* The number of teachers (including principals) of 2014-2015 school year includes those aged 60 or above.
- (1) The above table has been compiled based on the teacher data of 2013-2014 school year. Please note that the figures are only rough estimates of the number of retired teachers in the school years concerned as some teachers may retire before or beyond the age of 60. Besides, the total number and the composition of teachers in the next few years may also be changed.
- (2) Figures in brackets are the respective percentages to the total number of teachers in the 2013-2014 school year.

Annex 4

The Policy Areas identified by  
the Steering Committee on Population Policy for Follow-up Action

- (1) Articulating a clear and economic and social vision to guide the future development of Hong Kong;
- (2) Formulating a blueprint for sustainable land supply to cope with the future demand arising from housing, employment, and other social and economic development needs, and fostering a quality living environment to encourage family formation, improve people's quality of life and attract foreign investors and talents;
- (3) Enhancing child care services and retraining courses targeting the needs of women, as well as encouraging the business sector to widely adopt family-friendly measures in workplaces to assist women to maintain a balance between family and work;

- (4) Advocating longer working years for the general working population and examining whether there are barriers in the current systems and regulations that discourage workers from staying longer in the workforce. At the same time, subject to the results of the current consultation on extension of service years of civil servants, consider raising the retirement age of new recruits in future to set an example;
- (5) Better assisting new arrivals to integrate into society, and enhancing employment support services for persons with disabilities and ethnic minorities, in order to build up a more inclusive society;
- (6) On the basis of the measures announced in the 2014 Policy Address, promoting vocational education as a viable alternative pathway to academic routes, consolidating the curriculum of self-financing post-secondary programmes, and making better use of the Continuing Education Fund, and so on, so as to minimize the skills mismatch and enhance the quality of manpower;
- (7) Better aligning the talent admission schemes with our future economic development, and actively reaching out to and recruiting talents via the economic and trade offices overseas and in the Mainland;
- (8) Continuing to consider enhancing the existing labour importation mechanism to respond to manpower demand in the labour market in a more effective manner without jeopardizing the interests of local workers;
- (9) Considering the enhancement of support for young families and promotion of positive family values; and
- (10) Building an age-friendly community and assisting the elderly to participate in volunteer work with a view to promoting active ageing.

**MR TAM YIU-CHUNG** (in Cantonese): *President, the work of Class I pilots is very important, but their retirement age can be extended from 65 to 68. That being the case, why can the retirement age of Category B security personnel not be dealt with in the same manner? Besides, why did the Secretary not consult the industries direct but let the SCPP handle this issue instead?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I thank Mr TAM for his question. The request by Category B security personnel for a possible raise of retirement age will be studied by the SCPP. As I said in the main reply, if a bureau is regulated and constrained by law, we will ask the relevant Secretary to comprehensively conduct a report and an analysis to identify the barriers, factors and background that warrant attention, so as to explore the feasibility of raising the retirement age.

Members can note in Annex 4 that item (d) of the policy areas identified by the SCPP for follow-up action clearly indicates that we have to "advocate longer working years for the general working population and examine whether there are barriers in the current systems and regulations that discourage workers from staying longer in the labour force". In addition to working through the SCPP, the relevant Directors of Bureaux should communicate with the industries. As I understand it, the Security Bureau has already had very good communication with the security personnel industry, and there is also an authority to enforce the ordinances in accordance with the provisions. Therefore, this subject matter must have been included in their work agenda, and we will also continue to comprehensively follow it up in the SCPP.

**DR CHIANG LAI-WAN** (in Cantonese): *I also wish to raise a question to the Secretary in relation to the situation of security personnel. Currently, there is indeed a huge demand for Category B security personnel on the market, and recruitment is very difficult, so much so that there were suggestions of a slight relaxation of the retirement age for Category B security personnel, so that they could work until the age of 70 upon passage of a physical examination. Secretary, will you take this into consideration?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Dr CHIANG for her question. President, I have replied just now that we are aware of this problem. The Security Bureau has also noted Members' views in this regard. They will follow up in due course. As I said earlier, through the SCPP led by the Chief Secretary for Administration, we will comprehensively examine not just the security personnel industry, but also other related industries, in order to identify the constraints to be removed and barriers to be cleared. We will follow up on the premise of not affecting the overall consideration.

**MR ANDREW LEUNG** (in Cantonese): *President, part three of the main question asks whether the Government has studied and formulated measures to tackle the prevailing challenges arising from an ageing population and a shrinking labour force. We see that Shenzhen has overtaken Hong Kong in terms of gross economic output, and Shenzhen's labour force is 7 million to 8 million, outnumbering that of Hong Kong. Will the Government answer clearly what plans there are to enhance our competitiveness and strengthen our labour force?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr LEUNG for this very good supplementary question. With the ageing of the population, our labour force began to fall from 3.71 million in 2018 and will keep falling to 3.51 million by 2035. This is a dual challenge that necessitates proper deployment of resources to deal with. At present, it is most important to conduct exploration in all directions through the SCPP. We are analysing the information obtained from the recent consultation exercise in order to map out the way forward. We must definitely work on several domains: first, fully releasing the potential of the local labour force; second, considering how to further attract foreign talents at the top and other various levels; and third, maintaining our business environment, which plays a very important role in the maintenance of Hong Kong's competitiveness.

I have already explained earlier in the main reply that, for example, Members can note in Annex 4 that we have 10 major subjects to follow up, and behind each of them there is a lot of work to do. Our focus is on how to supplement the labour force and how to fully release the labour force, including women, persons with disabilities and those who retired too early. The subject of this oral question raised today is precisely about early retirement. Therefore, we have to study the possibility of making good use of those retirees who are not very old, so that they can continue to make contribution to the labour market. We will undertake a comprehensive study in the hope of clearly explaining our recommendations and the way forward in the Policy Address of next year.

**MR STEVEN HO** (in Cantonese): *President, Mr TAM Yiu-chung has clearly mentioned in his main question that the Civil Service Bureau is conducting a consultation on the extension of the service of civil servants, and the third part also asks about how to tackle the prevailing challenges arising from an ageing population and a shrinking labour force. In fact, under the impact of an ageing population, many industries in Hong Kong currently suffer from a lack of young blood. One example is the maritime industry. If we take a ferry to Cheung Chau, we will see that many sailors are aged over 50. May I ask the Secretary what the Government has done exactly to encourage new blood to join such industries? For example, will adjustments be made to the examination system for those who seek a Grade 3 Certificate of Competency for seafarers?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr HO for his question. We know that many industries are currently faced with this difficulty. The maritime industry, which the Honourable Member mentioned just now, is the only industry that has impressed us with a little progress, because the Hong Kong Sea School has successfully admitted some young people as seafarers since 2009. At present, every year about 30 young people are willing to join the seafaring profession and study sea-going courses. Of course, we have to also increase the manpower for river trade operation. To this end, we have recently worked with a shipping company to launch programmes under the Youth Employment and Training Programme to encourage young people to join the industry through in-service training, with a view to attracting more new blood. Apart from the maritime industry, we have applied such flexible approaches also to different areas and levels. For example, we let young people learn by doing, or provide them with on-the-job training, in the hope that more young people are encouraged to join such manpower-hungry industries.

**MR POON SIU-PING** (in Cantonese): *President, the Secretary mentioned earlier that after the SCPP had received the views, the relevant bureaux and departments would start internal studies on the subjects requiring follow-up actions, and would submit concrete proposals to the SCPP in due course. My supplementary question is, when exactly will there be concrete proposals? Is there a timetable?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr POON for his question. Having just completed a public engagement exercise, we are now analysing the data through the Social Sciences Research Centre of the University of Hong Kong, hoping that the latter can submit a preliminary report to us at the beginning of July. The report will then be shared with Members. Moreover, as I also mentioned earlier, various bureaux are closely studying and earnestly following up the 10 subject matters listed in Annex 4, with a view to formulating an overall strategy in the second half of the year. We will give an account to the relevant panels in due course.

**MR MARTIN LIAO** (in Cantonese): *President, according to the Government's population report, the key challenges ahead lie in the domain of technical staff. For example, the problem of ageing workers in the construction industry is worsening as many large-scale construction projects are underway in Hong Kong. About 40% of the workers on construction sites have reached the age of 50. Such emergency cannot be addressed in a slow manner. May I ask the Secretary what short-term measures the Government has put in place to help these industries?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr LIAO for his question. We are very much concerned about the shortage of manpower, particularly in the construction industry. We have adopted several approaches as follows: first, we certainly have to bring talents into full play, namely by making the best use of the local human resources through training and retraining. In this regard, the Construction Industry Council, the Development Bureau and relevant departments have made a lot of efforts. They have trained thousands of new entrants in recent years. At present, the general age of workers joining the construction industry has slightly decreased compared with the past. Some people in their early thirties have been attracted to join the industry, which is a reassuring phenomenon.

However, if large-scale projects are to be launched shortly, we will lack the manpower for some types of technical work. For example, for very complicated works, such as large-scale tunnel boring works and the Hong Kong-Zhuhai-Macao Bridge, Hong Kong does not have workers versed in such technologies. We can import foreign labour through the existing mechanism

under the Supplementary Labour Scheme of the Labour Department. In fact, through this mechanism, more than 500 foreign workers have been employed in the construction industry of Hong Kong over the past year. Of course, in the course of importation of foreign labour, we have to ensure that local employment is not affected, but if there is a shortage of manpower for certain job types, we should deal with it in a pragmatic manner. As Members all know, the Supplementary Labour Scheme has been enhanced thanks to collective wisdom. In the event of a shortage of manpower for government infrastructure projects, including public works, the lead work can be compressed subject to approval by the Labour Advisory Board, so that the Labour Department can further shorten the time for vetting and approval, hence completing the approval process expeditiously. We have already officially initiated this mechanism.

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

**MR MARTIN LIAO** (in Cantonese): *I am aware of the need to change the mechanism. The current situation is very difficult, but under the existing mechanism, is it possible to streamline the vetting and approval process and shorten the time?*

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

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I have already replied just now that under the existing enhanced mechanism of the Supplementary Labour Scheme, the Labour Advisory Board will, adhering to the established basis, certainly require that a four-week recruitment exercise be conducted and efforts be made to ensure priority employment for local workers. Foreign labour will be imported only if there are further vacancies that local workers are unable to fill. Moving exactly in that direction, we are doing our best to shorten the time for vetting and approval, in the hope that the six to 10 months of time that it might take in the past can be reduced to three to four months or even less, so as to meet the development needs of the projects.

**MR LEE CHEUK-YAN** (in Cantonese): *President, what worries us most is that, among the 10 policy areas listed in Annex 4 for follow-up action, all the subjects except that of speeding up labour importation are insubstantial, especially when the subject of this oral question is about extending the employment life. Item (d) in Annex 4 states, "examining whether there are barriers in the current systems and regulations that discourage workers from staying longer in the workforce". May I ask the Secretary what the authorities have examined? Dragonair and Cathay Pacific currently require flight attendants to retire at the ages of 45 and 55 respectively. This is simply age discrimination, and one of the barriers as well. May I ask the Secretary what barriers were identified after examination? Is age discrimination included? Will legislation be enacted to prohibit age discrimination, as a way to overcome the barriers?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, my thanks go to Mr LEE. We have been following up item (d) in Annex 4 to examine exactly what barriers are hindering a longer stay in the workforce. Is employees' compensation insurance an issue, as suggested by some people? If so, how should we deal with it? Are the policies of individual enterprises not flexible enough? We wish the Government would take the lead and serve as a role model. If the Government adopts appropriate measures to change the retirement age, I believe such an act will serve as an example and indicator for the industries, including other public organizations, subvented organizations and the business sector, and definitely set the trend for extension of the retirement age or working life.

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

**MR LEE CHEUK-YAN** (in Cantonese): *President, he has not answered whether age discrimination is a kind of barrier?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, the Legislative Council Panel on Manpower did conduct an in-depth study on age discrimination some years ago. The Honourable Member asked just now

whether legislation would be enacted. The conclusion at that time was that it is most important to educate the public, engage in promotion and change the culture. These are simply the most effective ways.

**MR LEUNG CHE-CHEUNG** (in Cantonese): *President, the Government is currently in utter chaos over the retirement age. For example, it prescribes a retirement age of 60 but benefits are payable only from the age of 65. The Secretary said earlier that he hoped the Government would take the lead so that companies other than the Government would follow suit to make arrangements in relation to the retirement age. Such being the case, may I ask the Secretary whether the Government will enact legislation on the retirement age?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I thank Mr LEUNG for his question. It is true that the Government has not formulated any statutory policies on the retirement age under the existing legislation of Hong Kong. It is up to individual companies to draw up such policies by themselves. Even the Government itself has prescribed the requirements only by administrative means. The Honourable Member asked whether legislation would be enacted. This is a complicated issue which may impose certain constraints. We think that at the present stage we should first change the prevailing practice. Employers should be encouraged to consider giving more opportunities to able-bodied employees who are capable of continuing to make contribution, granting them the option of transferring their experience to the next generation by means of part-time work. This is good for both the companies and Hong Kong. We think this is the first step to make. As for the question of whether legislation on the retirement age should be enacted in the long term, we need to study and hear the views of the community. However, I will certainly consider this suggestion.

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

**Measures to Combat Offer of Discounts on Taxi Fares**

2. **MR KWOK WAI-KEUNG** (in Cantonese): *President, under section 40 of the Road Traffic (Public Service Vehicles) Regulations, any taxi driver who solicits business by offering a discount on taxi fare commits the offence of "soliciting". Recently, some associations of the taxi trade have complained to me that taxi-call service mobile applications (apps) with the option "85" have become available lately, and all the taxi drivers registered under that option are willing to offer a fare discount of 15% to passengers. Such associations said that many taxi drivers took risks and used such kind of apps to offer fare discounts to passengers in order to solicit business. As a result, the livelihood of drivers charging legal fares has been seriously affected. In this connection, will the Government inform this Council:*

- (1) *whether it has examined if the developers who provide the aforesaid apps for downloading have contravened the law; if the outcome of its examination is in the affirmative, whether it instituted any prosecution against the developers concerned and demanded the developers to remove those apps from the platforms of web stores, in the past 12 months; if no prosecution has been instituted, how the Government curbs taxi drivers' soliciting business by offering fare discounts to passengers through such apps;*
- (2) *given that in reply to a question raised by a Member of this Council in November last year, the Government indicated that the police were following up on whether any taxi drivers were using the apps to offer fare discounts to passengers, of the details of the follow-up actions; whether police officers were deployed to disguise as taxi passengers in the past four months to call taxis by means of the apps for the purpose of carrying out law-enforcement operations to combat the offer of fare discounts by taxi drivers; if so, of the respective numbers of such law-enforcement operations and taxi drivers who were prosecuted; and*
- (3) *given that the existing legislation only prohibits taxi drivers from offering, on their own initiative, fare discounts to passengers to solicit business, whether the Government will conduct a study on enacting legislation to prohibit fare bargaining by passengers, in order to curb taxi drivers' offering fare discounts at the request of passengers?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, the Government has all along been striving to assist the trade in maintaining quality taxi service. Taxi operation is regulated by the Road Traffic Ordinance and its subsidiary legislation. The police combat any malpractices vigorously. The Transport Department (TD) reminds the taxi trade to abide by the law through close communication with them. The TD also disseminates information to passengers through different channels.

Members of the public can all along hire taxi service through calling taxi call stations. As smart phones and mobile applications (mobile apps) have been gaining popularity, the use of taxi-hailing mobile apps is becoming more common. This kind of mobile app brings convenience to passengers and is by nature no different from the conventional way of hiring taxi service through taxi call stations. While using taxi-hailing mobile apps solely for hiring taxi service is not illegal in itself, it is an offence for any person to use such mobile apps to solicit passengers by offering a fare discount. Whether an offender can be prosecuted would depend on whether there is concrete evidence.

The reply to the various parts of Mr KWOK Wai-keung's question is as follows:

(1) and (2)

According to the "soliciting" behaviour prescribed under regulation 40 of the Road Traffic (Public Service Vehicles) Regulations (the Regulations), any taxi driver or his/her representative who in any manner attracts or endeavours to attract any person in order to induce such person to make use of his/her vehicle without a reasonable excuse commits an offence. The driver or his/her representative is liable to a maximum fine of \$10,000 and imprisonment for six months. Against the above regulation, any taxi driver who offers a fare discount on his/her own initiative to induce passengers to make use of his/her vehicle is engaging in "soliciting" activities, irrespective of whether such arrangements are made through mobile apps, telephone calls or other means.

The Government is aware that mobile apps are available in the market for drivers and passengers to arrange taxi service at legal fares. This is not unlawful. Using mobile apps to arrange taxi service is also catching on in other places. However, the

arrangement would be illegal if there is any concrete evidence showing that a fare discount option is available through the mobile app for the purpose of soliciting passengers. As the mobile app industry is developing quickly, the apps come with various types, designs and functions. They also evolve rapidly. Further, it is quite often that only the driver and passenger(s) are present when the incident takes place. All these make it rather difficult to adduce evidence for instituting a prosecution. According to legal advice, there has to be sufficient evidence to prove that the mobile app developer/operator or the taxi driver concerned has been deliberately offering a fare discount through the mobile app to attract passengers to use taxi service before the law-enforcement agency can institute any prosecution against the individual(s) concerned.

The police have all along been looking into taxi malpractices through disguising as passengers from time to time. Based on the information provided by the police, the number of offenders prosecuted for "soliciting" in 2013 and the first five months of 2014 is 156 and 27 respectively. None of these "soliciting" prosecutions involved the use of mobile apps. The police are concerned about malpractices in relation to taxi service, including those involving the use of mobile apps, and would have to investigate each case to determine whether there is sufficient evidence to institute a prosecution. This has to be done on a case-by-case basis.

The TD is willing to offer advice to mobile app developers and the taxi trade regarding provision of mobile apps that are in compliance with the law. Indeed, the TD has recently met some mobile app developers to understand their operation. Further, the TD would remind the trade from time to time not to break the law inadvertently when using mobile apps to accept hire. The trade should certainly not risk infringing the law.

- (3) Taxi drivers and passengers are legally required to charge and pay taxi fares according to the meter respectively. Regulation 47 of the Regulations provides that a taxi driver shall not charge a passenger more than the metered fare while regulation 48 prohibits passengers from intentionally or dishonestly endeavouring to avoid payment of the metered fare.

Mr KWOK Wai-keung enquired whether the Government would consider amending the law to prohibit fare bargaining by taxi passengers. In this regard, the Transport Advisory Committee (TAC) studied carefully whether it would be feasible and meritorious to legislate against fare bargaining by taxi passengers in 2008. Reference was drawn from the practices in 14 cities. Most of these cities (including Tokyo, London and New York) did not prohibit fare bargaining by taxi passengers. None of them imposed penalty on passengers for fare bargaining. Even if fare bargaining by taxi passengers was explicitly prohibited, TAC's assessment was that it would be rather difficult to adduce evidence and take enforcement actions as only the taxi driver and passenger(s) were present when fare bargaining took place. The deterrent effect so achieved would also not necessarily be any greater than that of the existing arrangements. Further, it was deemed at that time that a number of people might find it too harsh to make a verbal enquiry for lower taxi fares an offence. In any event, it is lawful for taxi drivers to refuse requests by passengers for lower taxi fares.

Apart from the above, after the implementation of the taxi fare structure that increases short-haul fares and lowers long-haul ones since late 2008, the fare per kilometre for long-haul trips is lower than that for short-haul ones. For instance, an urban taxi journey of nine kilometres or more is regarded as a long-haul trip. The incremental charge per jump is at \$1 after nine kilometres. Meanwhile, the amount charged is \$1.6 for each jump below nine kilometres. This fare structure is conducive to reducing the incentive for fare bargaining by passengers and offering a fare discount by taxi drivers.

Meanwhile, some trade members worry that making such legislative amendments would eliminate the existing flexibility in their daily operation. For instance, they would no longer be able to cope with the situation whereby a taxi driver charges a lower fare due to taking a wrong route or having insufficient change, and so on.

**MR KWOK WAI-KEUNG** (in Cantonese): *President, I have a taxi-hailing mobile service app here and I wish to cite one of the messages therein, "Latest news: To provide legal protection to customers and drivers, official rates by default. Please make additional requests under the additional options. Thank you.". This message reflects the fact that passengers can request discounts through the app. The Secretary said in his reply just now that it was quite often that only the driver and passenger(s) were present, so it was rather difficult to adduce evidence. My supplementary question is: Is it possible to prohibit this kind of apps from allowing passengers any room to make requests for fare discounts no matter how? This is because if we rely solely on regulation 48 — prohibiting passengers from intentionally or dishonestly endeavouring to avoid payment of the metered fare — it seems that this regulation currently does not have any effect. May I know how this kind of apps can be regulated to eliminate the loophole and the scope for making calls to hail taxis offering fare discounts?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): *President, we have also noticed that at present, there are more than a dozen apps platforms for arranging taxi service in Hong Kong. However, if a certain message in an app simply says that passengers can make additional requests without specific reference to the fare, there is no evidence to prove that the persons in charge of the platforms or the drivers concerned are using fare discounts to solicit passengers. Otherwise, touting passengers is certainly involved. If this kind of reports are received, the police also have to examine if there is any evidence to prove that the person in charge of the platform or the driver concerned has offered any fare concession.*

**MR CHAN HAN-PAN** (in Cantonese): *President, may I ask the Government how much understanding it has of the prevalence of the use of such apps and the impact on the fare income of taxi drivers? On the use of this kind of apps by the public, how much understanding does the Government have?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): *If we regard such mobile applications, that is, the so-called apps, as the latest technological development that facilitates making arrangements for services or trade, just like e-commerce that we often talk about, this kind of development is perfectly normal. The question is whether or not anyone is using these*

platforms to tout passengers. Just as other forms of touting, when carrying out investigations, the police also have to gather concrete evidence. Of course, here, I cannot disclose the approach adopted by the police but I can tell Members that in the Government, including the police and the Transport Department, there is concern about the use of this kind of apps platforms to tout passengers in certain ways. More specifically, we have looked at about a dozen taxi-hailing mobile apps that are more popular in Hong Kong and found that there is limited room for passengers to request fare discounts and even if passengers do make such requests, as I said in my reply just now, it depends on what kind of demands they actually make.

**MR JAMES TO** (in Cantonese): *I have an enquiry and hope that the Secretary can examine if the existing legislation is adequate in covering this area. If passengers pay 100% of the fare and the app company concerned charges drivers 15% as the fee for using its app on the ground that the drivers could find passengers only because they had used its app and in the end, the company offers passengers a 14.9% discount that can be used to buy other items from its website, as a solicitor, I do not consider such an arrangement to have constituted a violation of the law. What I am asking the Secretary now is not whether such an arrangement constitutes a violation of the law. However, may I ask if the Government has considered whether, in applying the existing legislation to such a situation, it can be ensured that the spirit of law enforcement can be adequately respected?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, whether or not our laws can cope with the challenges arising from the latest development or technology of our times is indeed something that we have to keep in view all the time, and it is also necessary to look at whether the coverage of the existing legislation is adequate or not. However, on the specific issue raised by Mr James TO, sometimes, in actual law enforcement, concrete evidence is required, so it is necessary to consider in detail the actual circumstances of each case. For example, what means was adopted and whether such a means amounted to an attraction or was an attempt made to attract other people to use the taxi service? Therefore, in actual cases, we have to look at the evidence. Both the police and the TD are concerned about this issue. For this reason, colleagues in the TD are also paying greater attention to the development of this type of apps platforms. However, we also noticed that many apps change

practically every day, for example, the information displayed during various times of the day are different. The people concerned may have received "intelligence", so they make the changes. Moreover, sometimes, the frequency of apps being offered online and being taken offline is very high.

**DR CHIANG LAI-WAN** (in Cantonese): *President, I believe you have also noticed that coincidentally, in mid-June, some 10 000 taxi drivers in the United Kingdom staged a strike and rally and at present, taxi drivers all over Europe are also very dissatisfied in this regard. As we all know, they acquired a taxi at a great cost and some people even committed their life savings and have just repaid their loans. If some apps or online software are created, it is only necessary for the public to download them to hire taxi services online. In that case, what kind of protection is there for this group of taxi drivers or taxi companies? Moreover, have all such online taxi-hailing services obtained business licences? How can the Government monitor them? Do these Internet platforms have the photos of all the drivers and all other relevant information? How can they ensure the safety of passengers?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, we have also noted the reaction of some taxi drivers in some major European cities, including London, to the arrangement for taxi services online. However, we have to differentiate between two types of situations. The first is using such apps platforms to arrange for taxi services. The taxis are those specified by the law and they are a mode of public transport. Their mode of operation is subject to the regulation of the law and fares are charged according to the meter. However, sometimes, what the trade is opposed to may not be this kind of taxi service, but the so-called hire cars. In Hong Kong, hire cars are a personal means of transport and unlike taxis, they cannot accept passengers without advance booking. Advance bookings must be made in the case of hire cars and there may be some agreed charges. Therefore, they do not have meters and cannot pick up passengers who have not made any advance booking. Moreover, they cannot charge individual passengers for car fares and in this regard, the restrictions are spelt out in the business permits. In Hong Kong, when business permits are issued for this kind of hire cars, the relevant requirements are stipulated clearly. If the requirements are breached and services similar to those offered by taxis are provided, this is a violation of the law.

**MR FRANKIE YICK** (in Cantonese): *President, an Honourable colleague pointed out just now that through service platforms, it was possible to enjoy fare concessions and there was no need for drivers to entice passengers anymore. For this reason, there is indeed difficulty in adducing evidence. However, if the authorities do not combat this kind of discounted taxi services in a timely manner, I believe the requirement of charging metered fares would only exist in name only. This leads to another issue raised by Mr KWOK Wai-keung — should legislation be enacted to prohibit fare bargaining by passengers? The Secretary's reply is that it would be difficult to adduce evidence and the deterrent effect so achieved would also not necessarily be any greater than that of the existing arrangements. I do not quite subscribe to such a view. In that case, the so-called honour system commonly adopted in overseas countries would all but collapse. Of course, this is a matter of the quality of the nationals concerned, but Hong Kong is a place that upholds the rule of law, which is a core value of Hong Kong and I believe that basically, Hong Kong people are law-abiding. It is only necessary for the Government to tell the public clearly that fare bargaining by passengers is an offence and I believe the public would observe the law. Recently, the Liberal Party has conducted a survey on this and found that 47% of the respondents agreed with enacting legislation, 38% were against and 15% had no opinion ...*

**PRESIDENT** (in Cantonese): Mr YICK, please ask your supplementary question.

**MR FRANKIE YICK** (in Cantonese): *It can thus be seen that the public generally supports this proposal. May I ask the Secretary if he would consider this proposal again?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, what I cited in the main reply just now was a study conducted by the TAC several years ago, in 2008, which comprehensively examined various aspects of the development of the taxi trade. At that time, reference was made to 14 major cities and the great majority of them had no legislation prohibiting bargaining by passengers. In some cities, there was legislation imposing prohibition but not penalty. In my main reply, I said that in such big cities as London, Tokyo and New York, there was no prohibition on bargaining by

passengers and this is also the case in Hong Kong. In other words, passengers can bargain but if taxi drivers think that their interests are jeopardized, they have the right to charge the full metered fare and passengers cannot refuse to pay the metered fare. If passengers refuse, they will violate the law.

The key is that in some circumstances, both sides agree to bargain over the fare. From the perspective of protecting passengers' interests, our meter system protects passengers, so that they pay reasonable fares and drivers' interests are also protected. What the existing law targets is touting passengers, that is, drivers attracting business through the offer of discounts. On the Member's question on whether or not consideration would be given to completely prohibiting passengers from bargaining over fares, we can certainly look at the views of the trade again but judging from our contacts with the trade, it seems this approach has not attracted a great deal of support.

(Mr Frankie YICK stood up)

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

**MR FRANKIE YICK** (in Cantonese): *Secretary, do you consider this unfair to the law-abiding drivers?*

**PRESIDENT** (in Cantonese): Mr YICK, you did not raise this point in your supplementary question just now.

**MR CHARLES PETER MOK** (in Cantonese): *President, I support opening up the market to competition. In fact, regarding those taxi-hailing apps, the companies concerned have secured the investment of many funds and recently, there were acquisitions and the largest of such apps companies in the world will also come to Hong Kong soon. The technology sector even believes that after the advent of autonomous vehicles, this occupation called taxi driver may see its demise. I believe that if legal restrictions are imposed to constrain innovation and creativity, this will not be favourable to consumers. In view of this, President, my supplementary question is: On the contrary, will the Government consider explicitly allowing fare bargaining by passengers, so as to create a*

*more normal environment for the development of the technology sector? The Secretary said just now that the trade would be consulted, but will the technology sector also be consulted in due course?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, we are talking about arranging for taxi service through apps platforms to bring convenience to taxi drivers or passengers. So this is only a matter of the application of technology. All along, our policy is to protect both sides, so charging and paying fares according to the meter actually protects both sides, and this will not cause confusion among passengers. If passengers are allowed to bargain over fares at will, and in some cities — not necessarily large ones — such a practice is actually adopted, but this is very inconvenient to passengers as they have to bargain as soon as they have boarded a taxi.

Our existing system is that if passengers bargain and drivers are willing to charge lower fares, or sometimes, if a driver does not have enough change and he may also charge a slightly lower fare, we do not target this kind of situations in any particular way. If we want to target this, we have to ensure that no one will deviate from the specified fares. In that event, the issues mentioned by me in the main reply will arise. We have made reference to the practices in other big cities but it seems there is no mainstream practice that explicitly prohibits fare bargaining and imposes penalty.

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

### **White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region"**

3. **DR HELENA WONG** (in Cantonese): *The State Council points out in the White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region" (the White Paper) released on 10 June that "the central government exercises overall jurisdiction over the HKSAR [Hong Kong Special Administrative Region]", and states the following clearly for the first time: "[s]upporting and guiding the administration of the chief executive and government of the HKSAR in accordance with the law. The chief executive reports his/her work to the central government on an annual*

*basis, on the implementation of the Basic Law and other items for which he/she is accountable to the central government; and the state leaders give guidance to the chief executive on major matters related to the implementation of the Basic Law". The White Paper also points out that "[u]nder the policy of 'one country, two systems', all those who administrate Hong Kong, including the chief executive, principal officials, members of the Executive Council and Legislative Council, Judges of the Courts at different levels and other judicial personnel, have on their shoulders the responsibility of correctly understanding and implementing the Basic Law, of safeguarding the country's sovereignty, security and development interests, and of ensuring the long-term prosperity and stability of Hong Kong. In a word, loving the country is the basic political requirement for Hong Kong's administrators". In this connection, will the Government inform this Council:*

- (1) if it has approached the Central Government to gain an understanding on whether the statement that the Central Government exercises overall jurisdiction over the Hong Kong Special Administrative Region (HKSAR) implies that it can interfere with matters within the ambit of HKSAR's high degree of autonomy; if so, whether the Central Government has so interfered in the past and how it plans to interfere in the future;*
- (2) whether it has studied if the Basic Law contains any provision which provides a basis for the Central Government to give guidance on the administration of the HKSAR Government; if the study outcome is in the affirmative, of the details and the major matters in respect of which the Central Government guided the administration of the HKSAR Government in the past; and*
- (3) as some members of the legal profession have pointed out that, in variance with the Mainland, HKSAR implements a tripartite political system under which there is separation of executive, legislative and judicial powers with checks and balances among one another, and judicial independence is also one of the core values vital to HKSAR's success, whether the HKSAR Government has relayed to the Central Government that the implementation of the existing political system in HKSAR must be respected and the characteristics of such a system must be safeguarded; if it has, of the details; if not, the reasons for that?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, the State Council published on 10 June 2014 the White Paper, setting out comprehensively the implementation of "one country, two systems" in the HKSAR, the major achievements made, the policy measures by the Central Government to support the long-term prosperity and stability of the HKSAR and their effectiveness, as well as the long-established basic principles of the Central Government regarding Hong Kong to help various sectors of the community in having a better and comprehensive understanding of "one country, two systems" and the Basic Law.

Article 31 of the Constitution of the People's Republic of China (the Constitution) stipulates that "the State may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress in the light of the specific conditions." Article 62 of the Constitution stipulates the functions and powers exercised by the National People's Congress (NPC), including Clause 13: "to decide on the establishment of special administrative regions and the systems to be instituted there". It was stated in the Preamble of the Basic Law that "upholding national unity and territorial integrity, maintaining the prosperity and stability of Hong Kong, and taking account of its history and realities, the People's Republic of China has decided that upon China's resumption of the exercise of sovereignty over Hong Kong, a Hong Kong Special Administrative Region will be established in accordance with the provisions of Article 31 of the Constitution of the People's Republic of China, and that under the principle of 'one country, two systems', the socialist system and policies will not be practised in Hong Kong." Further, it is also stated that "in accordance with the Constitution of the People's Republic of China, the NPC hereby enacts the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, prescribing the systems to be practised in the Hong Kong Special Administrative Region, in order to ensure the implementation of the basic policies of the People's Republic of China regarding Hong Kong."

The Basic Law is a national law enacted by the NPC in accordance with the Constitution, and has constitutional status in the HKSAR.

The reply to the three parts of Dr Helena WONG's question is as follows:

(1) and (2)

Article 1 of the Basic Law stipulates that "the Hong Kong Special Administrative Region is an inalienable part of the People's Republic of China." Article 2 of the Basic Law stipulates that "the National People's Congress authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law." Chapter II of the Basic Law stipulates "the relationship between the Central Authorities and the Hong Kong Special Administrative Region", including the powers directly exercised by the Central Authorities in accordance with the Basic Law, and also the powers delegated by the NPC to the HKSAR to exercise a high degree of autonomy in accordance with the provisions of the Basic Law.

Article 43 of the Basic Law stipulates that the Chief Executive shall be the head of the HKSAR, and shall represent the HKSAR. He shall also be accountable to the Central People's Government and the HKSAR in accordance with the provisions of the Basic Law. Article 48 of the Basic Law authorizes the Chief Executive to lead the Government of the HKSAR; to be responsible for the implementation of the Basic Law; to nominate and to report to the Central People's Government for appointment of principal officials; to decide on government policies; to sign bills passed by the Legislative Council and to promulgate laws; to appoint or remove Judges of the Courts at all levels in accordance with legal procedures; to implement the directives issued by the Central People's Government in respect of the relevant matters provided for in the Basic Law; to conduct, on behalf of the Government of the HKSAR, external affairs as authorized by the Central Authorities, and so on.

Since the establishment of the HKSAR, the Central Government has been acting in strict accordance with the fundamental principles and policies of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy, as well as the provisions of the Basic Law to support the Chief Executive and the Government of the HKSAR in administering Hong Kong in

accordance with law. Similarly, the Government of the HKSAR has also been administering the affairs of Hong Kong in strict accordance with the "one country, two systems" principle and the Basic Law.

- (3) According to Article 2 of the Basic Law, the NPC authorizes the HKSAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. In addition, Articles 16, 17 and 19 of the Basic Law elaborate respectively on the executive, legislative and independent judicial powers, including that of final adjudication, enjoyed by the HKSAR. According to the overall design of the Basic Law, the political structure of the HKSAR is an executive-led structure headed by the Chief Executive. For example, according to Article 43 of the Basic Law, the Chief Executive shall be the head of the HKSAR and be accountable to the Central People's Government and the HKSAR in accordance with the provisions of the Basic Law. At the same time, Article 60 of the Basic Law stipulates that the head of the Government of the HKSAR shall be the Chief Executive of the HKSAR.

As such, the executive authorities and the legislature should regulate each other as well as co-ordinate their activities. On judicial independence, the Basic Law stipulates that the HKSAR enjoys independent judicial power, including that of final adjudication. In addition, Article 104 of the Basic Law also stipulates that when assuming office, the Chief Executive, principal officials, members of the Executive Council and of the Legislative Council, Judges of the Courts at all levels and other members of the Judiciary must, in accordance with law, swear to uphold the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and swear allegiance to the Hong Kong Special Administrative Region of the People's Republic of China.

The Government of the HKSAR has been upholding judicial independence, and the Central Authorities have all along respected the independent judicial power, including final adjudication, of Hong

Kong in accordance with the Basic Law. The Government of the HKSAR believes that strict adherence to the Basic Law is the key to the successful implementation of the "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy in Hong Kong. Since the reunification, the Central Authorities and the Government of the HKSAR have been handling the relationship between the Central Authorities and the HKSAR in strict accordance with the Basic Law.

(Mr CHAN Chi-chuen stood up)

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, what is your point?

**MR CHAN CHI-CHUEN** (in Cantonese): *President, I request a headcount.*

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

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

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

**DR HELENA WONG** (in Cantonese): *President, regarding the claims made in the White Paper that the Central Government has overall jurisdiction, as stated in parts (a) and (b) of my main question, does it imply that the Central Government can interfere with matters within the ambit of the HKSAR's autonomy? Can the Central Government give direct guidance to the HKSAR Government? The joint reply given by the Government to parts (a) and (b) merely contains a number of Basic Law provisions, which basically evade the thrust of my question. May I ask the Secretary to state clearly again whether or not the White Paper's interpretation is correct? In other words, can the Central Government exercise overall jurisdiction over the HKSAR? Can the Central*

*Government interfere with and guide the administration of the HKSAR Government? Has any such interference been made and under what circumstances will interference be made in the future? Will the Secretary please explain it more clearly once again?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, I was here last week answering a similar question raised by Ms Emily LAU.

Regarding Dr Helena WONG's supplementary question, according to the representation in the White Paper that "the central government exercises overall jurisdiction over the HKSAR" is actually incomplete and should be followed by the elaboration that the overall jurisdiction can be divided into two parts as follows: First, the powers directly exercised by the Central Authorities in accordance with the Basic Law; and second, the powers delegated to the HKSAR to exercise a high degree of autonomy in accordance with the law. These two parts are actually covered. The outline given by me in the main reply is therefore meant to make it easier for Dr Helena WONG to review the past in order to understand the present by taking a look at the provisions of the Basic Law regarding the powers directly exercised by the Central Authorities over the HKSAR Government, including the powers to appoint the Chief Executive and principal officials or exercised directly under the political system by the Standing Committee of the National People's Congress (NPCSC) for approval, record, and so on. Certainly, the powers delegated by the NPCSC in accordance with the Basic Law to the HKSAR to exercise a high degree of autonomy in accordance with the law are included as well. I have mentioned in the main reply that this is set out clearly in Article 2 of the Basic Law.

In fact, in the following several Chapters, including Chapters V and VI, some specific arrangements and requirements regarding the self-administration of affairs by the HKSAR Government under the authorization made with a high degree of autonomy are set out in a more comprehensive manner. Hence, this is my interpretation. The so-called expression of "overall jurisdiction" used in the White Paper implies that our country is a unitary country. Since the HKSAR is part of our country, the jurisdiction lies in the latter. This is my interpretation of "overall jurisdiction".

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

**DR HELENA WONG** (in Cantonese): *President, the reply given by the Secretary just now is quite insulting. Concerning the issue of familiarizing ourselves with the Basic Law, it is incumbent upon every Legislative Council Member to do so. My question is: As I find that the Secretary is still evading the question without answering ...*

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

**DR HELENA WONG** (in Cantonese): *Insofar as my question is concerned, firstly, I would like the Secretary to retract his comments just now. Secondly, may I ask him to answer more clearly how the HKSAR and Central Governments interpret matters within the ambit of the HKSAR's high degree of autonomy, as stipulated in the Basic Law? Regarding matters within the ambit of the HKSAR's high degree of autonomy as stated in the Basic Law, have the Central Authorities meddled with or intervened in affairs which are unrelated to defence and foreign affairs and outside the ambit of the Central Authorities as set out in the Basic Law; whether the Central Authorities have made any intervention and given any guidance; and whether the HKSAR Government has taken any initiative in consulting the Central Authorities on these issues?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, we may look at the matter from two perspectives. Firstly, according to the Basic Law, the Chief Executive, who certainly represents the HKSAR, is accountable to the HKSAR as well as the Central Authorities, and this is set out clearly in Article 43 of the Basic Law. Under Article 48 of the Basic Law, which I mentioned just now, the Chief Executive is to lead the HKSAR Government. Moreover, the Basic Law is implemented and enforced by the Chief Executive and the HKSAR Government through the officials of the HKSAR Government. In this sense, since the reunification, the Chief Executive has over the past many years visited Beijing to report his work to the Central People's Government on an annual basis. I believe this is a concrete manifestation of Article 43 regarding the Chief Executive's accountability to the Central People's Government.

The second point I wish to make is that since the reunification, the Central and HKSAR Governments have been maintaining mutual respect in accordance with the principles of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy, handling the relationship between the Central Authorities and the HKSAR in accordance with the principles of the Basic Law, and dealing with matters within the ambit of the HKSAR's high degree of autonomy. I personally have participated in the work of the HKSAR Government for many years. My personal impression is that the principles of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy are respected and implemented by both the Central and HKSAR Governments in dealing with our mutual relationship and the affairs of the HKSAR.

**MR CHAN KIN-POR** (in Cantonese): *President, the Government has mentioned in the main reply that the White Paper seeks to set out the long-established basic principles of the Central Government regarding Hong Kong to help various sectors of the community in having a better and comprehensive understanding of "one country, two systems" and the Basic Law. However, the understanding by some people in the community of "one country, two systems" is different from the White Paper's interpretation.*

*My supplementary question is: Given the fact that it has been many years since Hong Kong's reunification, why is the White Paper not released by the State Council until now and does it imply any change in policy?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, after its release, I have personally read the White Paper from beginning to end many times. My overall point of view is that neither has the number of principles elaborated in the White Paper of the Basic Law and "one country, two systems" been reduced, nor have the relevant provisions in the Basic Law been increased. Furthermore, there has not been any change in such principles as "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy. On the contrary, the past has been reviewed at length in Chapters III and IV, with the economic, social and political development of the HKSAR under the arrangement of "one country, two systems" in the 17 years since the reunification recounted in a narrative manner.

Mr CHAN should be aware that next year will mark the 25th anniversary of the promulgation of the Basic Law in 1990. I believe it is timely for the White Paper to be released now as a review and summing-up of the Basic Law and "one country, two systems". I also believe that is the reason for its release.

As regards the promotion of the Basic Law as mentioned by Mr CHAN, I have to admit that, in view of the historical and social background, the promotion of the Basic Law right after the reunification, whether by APIs on television or many other means of publicity, has put more emphasis on the arrangement of the "two systems". Actually, half or more than half of the content of Article 160 of the Basic Law is about specific requirements and arrangements of the "one system" practised in Hong Kong under the "two systems" within the ambit of a high degree of autonomy.

This is why in the early days following the reunification, as I pointed out just now, more efforts were made in publicity and promotion on that front because of historical and social needs. With the three discussions held on constitutional development over the past decade, there might be more suggestions in the community about more comprehensive efforts that can be made by the SAR Government in promoting "one country, two systems" and Basic Law. Having heard these suggestions, we are collating and taking on board these views. A more holistic approach will probably be adopted to mark the 25th anniversary next year to promote the Basic Law, so the public can gain a more comprehensive understanding of the Basic Law. In this respect, we are considering and adopting various views expressed in the community.

**MR IP KIN-YUEN** (in Cantonese): *President, the Government pointed out in the main reply that the HKSAR and Central Governments have been acting in strict accordance with a high degree of autonomy as well as the provisions of the Basic Law. However, it is evident to Members that the release of the White Paper has caused a furore, sparking public concerns about whether or not "one country, two systems" and a high degree of autonomy will be damaged. Should there be any inconsistency in the practice of a high degree of autonomy, the public will expect the SAR Government to defend the interest of Hong Kong people on just grounds in accordance with the provisions of the Basic Law.*

*I have this supplementary question. During the compilation by the State Council of the White Paper, did the SAR Government play any role, such as whether it was informed of this matter, when it was informed, whether it had read the text, and whether it had given any advice or even sought to defend the interest of Hong Kong people on just grounds? Who or which department was responsible for undertaking this task? I hope the Secretary can give a reply to this question.*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, after the promulgation of the White Paper, the SAR Government has noted that there are indeed some responses, views and concerns in the community. We have noted and heard these views.

Summing up, the views revolve around the following three issues: Firstly, the relationship between "overall jurisdiction" and "a high degree of autonomy", which was followed up by Dr Helena WONG just now; secondly, the concerns about the judicial independence of the Judiciary; and lastly, the implementation of the arrangements for the election of the Chief Executive by universal suffrage in 2017 and constitutional development. The views expressed appear to have revolved around these three issues. I am not sure if there are other views, but the views we have heard for quite some time are mostly related to these aspects.

Hence, in my reply to the question raised by Dr WONG just now, I mentioned how the Basic Law is used as the basis for the interpretation of "overall jurisdiction" in the hope of responding to such concerns. Furthermore, we have noted that the Secretary for Justice has come forth at the first opportunity to express our views on judicial independence in the hope of allaying public concerns. As regards constitutional development, it is not dealt with at length in the White Paper. Not only has the White Paper made a solemn undertaking concerning the timetable for electing the Chief Executive by universal suffrage in 2017, it has also mentioned the Central Authorities' sincerity in implementing universal suffrage in 2017. Hence, we will respond by all means to any voices sounded in the community.

As regards the compilation of the White Paper prior to its release, the document was announced by the State Council and compiled mainly by its related organization. During the process, the SAR Government has participated in presenting some objective facts, such as the data on economic development and social circumstances mentioned in Chapters III and IV, as well as assisting in

providing some figures for comparison. Certainly, after the release of the White Paper, like everyone else, we have read it carefully and found that its interpretation of "one country, two systems" and the Basic Law is basically consistent with ours. On hearing the three public concerns mentioned just now, we have clarified or expressed our views through different channels.

(Mr IP Kin-yuen stood up)

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

**MR IP KIN-YUEN** (in Cantonese): *President, the Secretary said in his reply just now that he noted the content of Chapters III and IV, but our greatest concern is Chapter V. May I ask the SAR Government to clarify whether it was able to understand and had given any advice prior to its knowledge of the matter? I think this is Members' greatest concern.*

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

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, I have basically answered Mr IP's supplementary question just now. I have nothing further to add.

**MR CHRISTOPHER CHEUNG** (in Cantonese): *President, since the release of the White Paper by the State Council, I have noted that many people, like Dr Helena WONG, are looking at its content through tinted glasses, describing it as an interference with matters within the ambit of Hong Kong's high degree of autonomy in an attempt to go back on the commitment made by the Central Authorities to the principle of "one country, two systems". This has also given rise to many conspiracy theories. I think that the Central Authorities have clearly explained that the White Paper is not formulated to look at Hong Kong issues from a new angle. It merely seeks to reiterate the points of view held all along by the Central Authorities. However, some people seek to distort the Basic Law in the mistaken belief that the Basic Law can be separated from the Constitution, or even ...*

**PRESIDENT** (in Cantonese): Mr Christopher CHEUNG, are you raising your supplementary question or giving a reply? You should have raised your supplementary question.

**MR CHRISTOPHER CHEUNG** (in Cantonese): *I was about to raise my supplementary question.*

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

**MR CHRISTOPHER CHEUNG** (in Cantonese): *I would like to point out that it has been more than two weeks since the promulgation of the White Paper in seven languages on 10 June. Has the SAR Government received any objection from overseas governments, including the United Kingdom, which is one of the signatories to the Joint Declaration; if not, does it imply that the stances of the White Paper and the Basic Law are consistent? Will the SAR Government explain to Hong Kong people more clearly to prevent some people from making a fuss and misleading the public?*

(Some Members talked among themselves)

**PRESIDENT** (in Cantonese): Please keep quiet. Secretary, please reply.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, both the Basic Law and the White Paper are certainly documents promulgated by the organization related to the Central Authorities, which are considered to be an internal matter of the State. Certainly, there is a need for the SAR Government to further promote the content of the Basic Law. However, if any persons within or outside Hong Kong, including consuls in Hong Kong, have any queries or questions about the Basic Law, "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy, we are duty-bound and will be pleased to provide them with objective information to allay their concern.

As regards the information requested by Mr Christopher CHEUNG just now, judging from the information I have acquired as of today, we have not received any similar enquires or complaints.

**PRESIDENT** (in Cantonese): Ten Members are still waiting for their turns, but we have spent nearly 24 minutes on this question. Fourth question.

### **Prevention of Discrimination Against Employees of Schools who are Sexual Minorities**

4. **MR CHAN CHI-CHUEN** (in Cantonese): *It has been reported that the International Christian School (ICS) requests its teaching staff and job applicants to sign a declaration entitled "Standards of Biblical Ethics and Integrity" to undertake that they will make themselves role models by not engaging in any form of homosexual behaviour, and so on, and contravention of which may lead to dismissal. I have received complaints that such a practice of the ICS has allegedly discriminated against people of different sexual orientations and alternate gender identity. The Education Bureau indicated in February this year that it had reminded the ICS that in formulating and reviewing its policies, reference should be made to the Education Bureau Circular No. 33/2003 "The Principle of Equal Opportunities" and the "Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation" compiled by the Government. According to some media reports in early March this year, the Administration and Recruitment Co-ordinator of the ICS indicated, in response to media enquiries, that the school had the right to uphold its beliefs, which included not allowing homosexuals or people of alternate gender identity to be their teaching staff. In this connection, will the Government inform this Council:*

- (1) *whether the Education Bureau has found out if the ICS, after being reminded by the Education Bureau, has contravened the aforesaid circular and Code of Practice; if it has found that the ICS has contravened them, of the follow-up actions to ensure that the employees of the school who are sexual minorities (if any) are being treated fairly; and*

- (2) *given that at present, quite a number of schools in Hong Kong are run by school sponsoring bodies with a religious background (for example, Christian and Catholic bodies), whether such schools can dismiss or refuse to employ teaching staff of different sexual orientations and alternate gender identity on the ground that they run the schools in accordance with their religious beliefs?*

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

- (1) The Education Bureau has all along attached great importance to the creation of a harmonious school culture under which all are equal, and does not tolerate discrimination of any kind in schools. Through circulars, guidelines on school administration and daily communication with schools, the Education Bureau reminds schools to observe the principle of equal opportunities and to avoid any form of discrimination apart from compliance with all the anti-discrimination ordinances when formulating and reviewing their school policies. Moreover, we have invited the Equal Opportunities Commission (EOC) and the Constitutional and Mainland Affairs Bureau to deliver thematic talks to various school stakeholders including school managers, principals and teachers. In these talks, relevant legislation and codes of practices, including the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance and the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation are introduced.

Regarding the case mentioned in the question, the Education Bureau has reminded the school that in formulating and reviewing its policies, reference should be made to the Education Bureau Circular on the Principle of Equal Opportunities and the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. The school has promised to evaluate the relevant policies and measures and is consulting the stakeholders. The Education Bureau will render appropriate support to the school when necessary.

The existing four anti-discrimination ordinances deal with discrimination on the grounds of sex, disability, family status and race. Schools have to comply with the provisions in these ordinances. The Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation seeks to eliminate discriminatory practices in employment and promote equal employment opportunities among all persons, irrespective of their sexual orientation. It is up to the school concerned to decide if it wishes to adopt the Code on a voluntary basis. The issue raised in the question involves competing values and policy objectives. The Administration must allow sufficient time and space for the community to continue the discussion.

- (2) The Education Bureau has reminded schools that, to observe impartiality and safeguard interests, they should establish an open, fair, transparent and competitive appointment system as well as set up guidelines and formal procedures governing the appointment of staff. In all cases, schools should ensure that the conditions and terms of appointment are in strict compliance with the anti-discrimination ordinances. Schools are also required to observe the codes of practice on employment in respect of various anti-discrimination ordinances issued by the EOC. Also, the Education Bureau encourages schools to comply with the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation compiled by the Government.

When terminating the service of staff, schools are required to comply with all the employment-related rules and regulations under the prevailing ordinances and legislation. As for aided schools, they should ensure that the relevant rules and procedures laid down in the Codes of Aid are observed.

**MR CHAN CHI-CHUEN** (in Cantonese): *First of all, I wish to thank the Education Bureau for stating clearly that discrimination on ground of sexual orientation should not exist on the school campus. Forcing the teaching staff to deny or admit that they are homosexuals is intolerable. However, President, the Secretary has not answered part (1) of my main question, for I asked him about the follow-up action taken. This is because the school concerned and as I have*

*said in the question, said that it would uphold its beliefs, including not allowing people with different sexual orientations to be its teaching staff. However, the reply from the Bureau only points out that compliance with the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation is entirely voluntary and the Code is just meant for reference and the Education Bureau can only advise the schools. If the Bureau has given an advice to a school but the school does not comply, will there be any follow-up action? Or if the Bureau will give up at this stage, not doing anything?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, I thank Mr CHAN for his supplementary question. I have made it clear in the main reply that the four ordinances and the Code are the major premise and the Code of Aid has clearly set out the relevant conditions and procedures for compliance by the schools. We have contacted the school in question with respect to the report and the school has undertaken that it will review the policies and measures concerned and consult the relevant stakeholders. All these are part of the mechanism. The Equal Opportunities Commission (EOC) has also played an active role in this matter and followed up the matter with the school. I can therefore tell Members that the school has responded to this matter.

**MR CHAN CHI-CHUEN** (in Cantonese): *President, I was saying that although the school has conducted a review, it does not comply with the advice given by the authorities. Then what will the Bureau do and will there be any further action taken?*

**SECRETARY FOR EDUCATION** (in Cantonese): Thank you, Mr CHAN. If the school does not comply with the requirements of these four ordinances or the relevant Code and if the EOC in its effort in mediation finds that the school has contravened the law, the school management and the board of directors must certainly address the problem. If the school is judged to be in contravention of the law in terms of the policies and procedures as required by the various ordinances, the Education Ordinance may authorize the Permanent Secretary to take appropriate action in respect of the contraventions.

**MR GARY FAN** (in Cantonese): *President, schools are public places and not places where preaching is done. Teachers go to schools to give instruction and students go to schools to study and learn. Irrespective of what kind of background the teachers may have, I would think that academic and professional standards are the only means to determine whether or not a teacher is competent. A teacher's private life should not be made one of such standards. So schools should not judge teachers in this way or think that they are not moral enough and cite religious grounds to dismiss or sack the teachers. May I ask the Secretary whether the Education Bureau agrees that differences in sexual orientation and gender identity are not important factors of consideration when hiring a teacher?*

**SECRETARY FOR EDUCATION** (in Cantonese): I thank the Honourable Member for the supplementary question. I have stressed repeatedly just now that we hope very much that the schools or school sponsoring bodies will govern the schools in accordance with the abovementioned four ordinances and the spirit of equality. In the course of governing a school, the schools do have access to a lot of information as reference. This is the position and principle which we advocate and put into practice. As I have said, each school sponsoring body has its own mission and as this issue and area are discussed in various ways in the community, so my understanding is that the issue is being dealt with in a form of a code. The authorities understand and respect the considerations made by all parties in this issue. If the schools in their hiring of their teaching staff have breached any of the relevant ordinances or Code, we do have an established mechanism to handle such cases. If it is found that a school has indeed breached the law, the ordinances provide a channel through which enforcement action can be taken.

**MR GARY FAN** (in Cantonese): *President, the Secretary has not answered my supplementary question.*

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

**MR GARY FAN** (in Cantonese): *It is because in his reply to Mr CHAN Chi-chuen, the Secretary said that compliance with the Code was entirely voluntary. And so I asked about the position of the Bureau: In the opinion of the*

*Bureau, when a school is to hire a teacher, is the gender identity of a teacher or his or her difference in sexual orientation an important factor of consideration? Yes or no?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, I particularly stressed earlier that we would hope very much that under all circumstances, schools should ensure that their terms of employment can fully comply with all requirements of anti-discrimination laws, including the four ordinances mentioned earlier and they should also comply with all codes issued by the EOC by virtue of these laws. On this major premise, suppose a school contravenes the relevant requirements, the existing mechanism can handle such a situation. And when a school breaches the law, the authorities have procedures to penalize it. So given this major premise, my reply is we will not permit the existence of unequal measures in schools or the implementation of any unequal policies.

**MR GARY FAN** (in Cantonese): *President, as a matter of fact the Secretary need only give a simple "yes" or "no" answer and that will be fine. The Code to which he referred is entirely voluntary. In other words, the answer from the Secretary is negative. Secretary, can I confirm your answer as such?*

**PRESIDENT** (in Cantonese): Mr FAN, the Secretary has replied according to government policies. If you are not happy with the reply, please follow up through other channels.

**MS CYD HO** (in Cantonese): *President, actually, the reply from the Secretary is very clear. He has been repeating the four ordinances all the time. But these four ordinances do not include anything on the elimination of discrimination on ground of different sexual orientation. Moreover, this Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation does not have any legal effect. So with respect to the discrimination now found persistently in schools, there is actually nothing the Education Bureau can do. Therefore, President, I have this question for the Secretary. When he sees such a situation, does he know that in the absence of an anti-discrimination law on sexual orientation, there is nothing the authorities can do? Will he therefore propose in the Executive Council the enactment of an anti-discrimination law on*

*sexual orientation or lend his support to such enactment? If he thinks that the Code of Practice is proven and suffices to prevent this kind of discrimination, why does he not take action to stop such a situation? Why can the school in question state now that it will continue with its past practice?*

**SECRETARY FOR EDUCATION** (in Cantonese): I thank Ms HO for the supplementary question.

Owing to this consideration of the macro situation, there are still a lot of discussions in the community. And factors like the freedom of religion, the mission of the school sponsoring bodies, and so on, are also included in such consideration. In June last year the Government established the Advisory Group on Eliminating Discrimination against Sexual Minorities to advise on matters concerning discrimination against sexual minorities, especially on the areas and extent of discrimination against sexual minorities, and on strategies and measures to eliminate such discrimination. In view of the recommendations made by the Advisory Group, the Administration will appoint consultants to study the issue of whether sexual minorities are discriminated in Hong Kong and if so, their experience in discrimination, including the areas in which they are discriminated against and the forms of discrimination involved, as well as how such situations should be addressed. The relevant study is presently underway and the findings will help the Advisory Group consider the future directions of work and in making recommendations.

**MS CYD HO** (in Cantonese): *President, the Secretary has obviously not answered my question. The supplementary question which I have asked is very simple. This is because the Secretary in part (1) of the main reply gives people an impression that discrimination can be regulated. But the fact is it cannot. So I ask the Secretary, if it can really be regulated, why does he not do so? If he does not impose any regulation because this kind of situation cannot be regulated, then will he support the enactment of an anti-discrimination law? My question is addressed to the Secretary, not those consultants.*

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

**SECRETARY FOR EDUCATION** (in Cantonese): President, I have answered Ms HO's supplementary question just now. I wish to emphasize that we have a very good Code before us and that is, the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. This is a very good set of guidelines and it can be a source of reference for the school in question.

**MS STARRY LEE** (in Cantonese): *President, different school sponsoring bodies have different beliefs. The Christian groups want their staff and students obey the moral norms found in the Bible. This is reasonable. The question is whether the actual contents of these norms will constitute any discrimination against people with different sexual orientations. From another perspective, if we prohibit these school sponsoring bodies from upholding their religious convictions, this is like depriving them of their freedom. As a matter of fact, disputes in this respect have led to schools in overseas countries taking the matter to court. As far as I know, in Canada and the United States, schools with a Christian background require their teaching staff and students to maintain their religious convictions.*

*I now come to my supplementary question. Before the Secretary handles this matter or issues any guidelines, especially on the question of whether religious bodies can require their staff and students to obey certain religious codes, have efforts been made to find out how the issue is handled in other places, including Canada and the United States which I have mentioned, so that schools or school sponsoring bodies can be enabled to uphold their religious beliefs while not constituting any form of discrimination?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, I thank Ms LEE for the question. Irrespective of whether it is about legislating or formulating other measures, we have taken reference of related anti-discrimination measures on sexual orientation found in overseas countries. As I have just said, this topic involves very complicated issues. Some people approach it from the perspective of upholding equal opportunities while some people are worried that after relevant consultation has commenced, it may affect the core family values, religion and education. Actually, this topic does not only exist in Hong Kong, it is also found in other places, including the couple of countries mentioned by Ms LEE earlier. This is a very controversial topic. The Administration must exercise prudence in handling it. We will continue to listen and give more time

to various parties in exchanging their views on the matter before we give further consideration to the views put forward.

**MS STARRY LEE** (in Cantonese): *President, the Secretary has not answered my supplementary question. The Secretary has just pointed out that when considering ...*

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

**MS STARRY LEE** (in Cantonese): *... the enactment of an anti-discrimination law on sexual orientation, overseas experience will be taken into account. My supplementary question is very specific. I asked the Secretary that when guidelines on this are set by the Education Bureau or when such matters are being dealt with, will overseas experience be taken as reference?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, sorry, I did not make myself clear just now.

We will do it this way. In the course of formulating guidelines and taking forward such development in this direction, we will certainly take reference of the experience in other places. We do have much communication in this respect in our contact with the education ministers or relevant officers in other places.

**DR HELENA WONG** (in Cantonese): *President, the question is, the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation does not have any legal effect. In other words, the power of the Secretary is restrained. The Bureau has written a letter to advise the school concerned in accordance with the Code, but the school did not pay any attention to it. It can be seen that the Secretary for Education is unable to ensure that all the schools in Hong Kong will observe the principle of equal opportunity in hiring their teaching staff. It shows that we need to legislate on the question of discrimination on ground of sexual orientation ...*

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

**DR HELENA WONG** (in Cantonese): *President, my supplementary question is, that school may be a private school and if there is a school subsidized by public money, which owing to religious reasons or other reasons involving sexual orientation, requires newly appointed staff to undertake that they must be baptized and join a church, or must swear that they cannot be a homosexual or a transgendered person, then does this school subsidized by public money have the right to do so; if so, is this practice in breach of the principle of equal opportunity?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, I thank the Honourable Member for her question.

I have made it very clear earlier that if such a situation occurs, our existing practice is to suggest that the school concerned should consider the requirements found in the relevant Code. In addition, since the major principle of equal opportunity should be adopted in the schools, if a case is found to be in clash with a certain area, there is a mechanism in place for complaints to be lodged by the persons concerned and for the authorities to handle. I wish to stress once again that the principle of equal opportunity should be found in every school sponsoring body and school. I also wish to emphasize that in a recruitment exercise, the schools do not only consider the personal details, they will also consider the needs of the specific posts concerned. And there are also many other policy considerations as well as their missions in operating the schools and their education beliefs, and so on. In the recruitment process, the schools will consider selecting the best candidates for the job, so the competition for talents is also an important factor of consideration.

**DR HELENA WONG** (in Cantonese): *President, the Secretary has not answered my supplementary question ...*

**PRESIDENT** (in Cantonese): Has your supplementary question not been answered? Please repeat it briefly.

**DR HELENA WONG** (in Cantonese): *President, my supplementary question is: Many schools subsidized by public funds have a religious background, if these schools in hiring staff engage in screening according to the religious background or sexual orientation of the candidates, is this practice reasonable? And as the Secretary for Education, how can he be involved to ensure equal opportunities in employment?*

**SECRETARY FOR EDUCATION** (in Cantonese): President, thank you, Dr WONG.

I wish to stress again that if there is any deviation in the screening process, there are enough channels for the persons concerned to lodge complaints. They can take the case to court, to the EOC, or the Labour Tribunal to ask that their cases be heard. After these major principles are set, if it is found that in the abovementioned process the school concerned has breached the law, we can invoke the Education Ordinance and the Code of Aid to address the situation. The requirements are used to cope with the situation found in subsidized schools.

In addition, I wish to emphasize another point and that is, we have to respect the religion, education beliefs and the mission of the school sponsoring bodies concerned which have a religious background. These are also important factors of consideration.

**PRESIDENT** (in Cantonese): We have spent 23 minutes and 30 seconds on this question.

(Mr CHAN Chi-chuen stood up)

**MR CHAN CHI-CHUEN** (in Cantonese): *President, I request a headcount.*

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

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

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

### **Planning Application in Respect of a Hotel Project on Lugard Road**

5. **MR TOMMY CHEUNG** (in Cantonese): *President, in September last year, the Metro Planning Committee of the Town Planning Board (TPB) approved a planning application for the conversion of an almost century-old residence at 27 Lugard Road on The Peak into a hotel with 17 rooms. Although some sections of Lugard Road are only 1.8 m wide, the Transport Department (TD) has approved the running of 1.475 m wide electric mini-cars on the road to carry guests, staff, service contractors and goods to and from the hotel. Some members of the public have relayed to me that Lugard Road is a highly popular hiking trail thronged with picnickers. They are concerned about the prospect of pedestrians and vehicles competing for road space upon the commissioning of the hotel, which will make traffic accidents more likely to occur. In this connection, will the Government inform this Council:*

- (1) *why the government departments concerned still supported the planning application at TPB meetings, despite objections to the application raised by the Central and Western District Council and some of its members as well as nearby residents on grounds of traffic and environmental problems, and the fact that 96% of the public submissions received by the TPB opposed the application;*
- (2) *whether it has compiled statistics on the respective average numbers of pedestrians per hour on Lugard Road on Sundays, public holidays and weekdays; if it has, of the numbers; whether it has studied if the pedestrian flow coupled with the vehicular traffic flow brought about by conveyance of guests, staff, service contractors and goods of the hotel upon the commissioning of the hotel will exceed the capacity of Lugard Road; if it has, of the findings; and*

- (3) *given that currently only a small number of vehicles issued with a permit are allowed to use certain road sections of Lugard Road, of the number of traffic accidents involving such vehicles on the road sections concerned in the past three years; whether it has studied if the casualties of traffic accidents occurring on the road sections in question will increase upon the commissioning of the hotel; if it has, of the findings?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, according to the information of the TD, the section of Lugard Road which is of public concern is about 800 m in length. The concerned road is for shared use by pedestrians and vehicles. It is also the only access to the properties at Nos 1 and 27 Lugard Road. No vehicles are allowed to enter the concerned road section except those which have applied and being granted permits by the TD. In the past, the TD issued a total of five permits concurrently to the owners and occupants for driving to and from their properties. The wider part of the road section is over 3 m in width, and its narrowest part is almost 2 m wide, coupled with a 0.2 m wide gully pit on the roadside which is quite level. Therefore, the road section is wide enough for the shared use by pedestrians and vehicles. Both pedestrians and motorists will have to give way to one another and pay attention to safety for achieving harmonious use of the road section (that is, shared use of the road section by both pedestrians and vehicles).

My reply to the various parts of the Mr Tommy CHEUNG's question is as follows:

- (1) The TPB is responsible for approving the application for the conversion of the residence at 27 Lugard Road into a hotel. Following the TPB's established procedures, the concerned government departments give advice to the TPB with respect to their respective policy portfolios and work.

With respect to traffic assessment, when the TD studied the initial traffic impact assessment report submitted by the applicant, it noticed that the applicant had not proposed any vehicular traffic restrictive measures to facilitate the use of the road section by pedestrians during holidays. The TD, therefore, raised objection to

the Planning Department. Subsequently, the applicant proposed no vehicular usage in the road section at certain period of time during holidays when more hikers use Lugard Road. In the remaining time period when the pedestrian flow is smaller, the hotel's mini electric car will only run a maximum of two round trips (that is, four trips) per hour when necessary. Having considered various factors, the TD opined that the revised proposal had struck a balance between the need for pedestrians to use the road section and the vehicular access right of the property owner at 27 Lugard Road to use the road section. Therefore, the TD indicated no objection to the planning application to the TPB.

One of the conditions for the TPB's approval to the planning application is that the applicant must submit traffic management measures to the satisfaction of the TD. The TPB has also requested the TD to discuss with the applicant the extension of prohibiting hours for logistic trips by hotel vehicles. In response to the concern of and discussion at the TPB, the TD now plans to further restrict the use of the future hotel vehicles from using the road section from 9 am to 7 pm on Saturdays, Sundays and public holidays. The TD has informed the applicant of this proposal. Reply from the applicant is being awaited.

As for environmental issues, according to the information provided by the Environmental Protection Department (EPD), upon studying the relevant documents of the planning application and after conducting a site inspection, the EPD considered that there would be no insurmountable environmental impact arising from the proposal. Therefore, the EPD has no in-principle objection to the planning application.

- (2) According to the TD's information, the average pedestrian flow at the concerned road section of Lugard Road from 9 am to 7 pm is about 540 persons per hour (pph) on Sundays and public holidays, and about 320 pph on Saturdays. The TD now plans to further restrict the use of the future hotel vehicles from using the road section from 9 am to 7 pm on Saturdays, Sundays and public holidays, so as to ensure pedestrian safety.

As for weekdays, there are not many pedestrians on the road section, with about 110 pph on average (that is, the pedestrian flow is only two persons in every minute). The TD estimates that a walk along the whole road section by a pedestrian takes about 15 minutes while a ride by the hotel vehicle takes about six to seven minutes. As hotel vehicles are allowed to make at most a total of four trips in two round trips per hour on weekdays and other non-restricted periods, the TD considers that the traffic flow generated by the hotel will not have impact on the capacity of the concerned road section of Lugard Road. In addition, taking into account the time required for loading and unloading, it is estimated that a pedestrian may only come upon a hotel vehicle once or twice during his walk on the whole road section. Thus, the impact on pedestrians should not be significant, and a harmonious use of the road section could be achievable.

- (3) As advised by the police, no traffic accident has been reported on the concerned road section in the past three years. As I mentioned in part (1) of the reply, the time period allowing hotel vehicles to use the road section and the number of vehicle trips are subject to stringent restrictions. Thus, the TD sees no particular factors that may lead to an increase in the number of traffic accidents. Nevertheless, upon the opening of the hotel, the TD and the police will closely monitor the traffic condition of the road section and implement appropriate traffic management measures as necessary to ensure road safety.

**MR TOMMY CHEUNG** (in Cantonese): *President, the Secretary's reply seems to be somewhat biased. It is because he said in the first paragraph of his main reply that the narrowest part of the road section is almost 2 m wide but I actually stated explicitly in the main question that it is only 1.8 m wide and the authorities have approved the running of 1.475 m wide vehicles on that road section. In part (2) of the main reply he said that there are not many pedestrians on the road section, with only two persons in every minute. It sounds that there should not be any problem with two persons and one vehicle using the road at the same time.*

*However, let us look at these figures more carefully. If it takes a pedestrian 15 minutes to finish a walk along the road section, it means that at any*

*time on that road section, or even at a time when the pedestrian flow is the smallest, there will be 30 or 40 people on the road. When the car is 1.475 m wide and there are 30 or 40 pedestrians, how can it possibly run on the road? The Secretary also said that a ride by a vehicle takes about six to seven minutes, whereas a walk by a pedestrian takes 15 minutes. But I think this is the estimated time for a pedestrian and a car to walk or ride along the road separately and so, they can definitely finish it within the estimated time but it would be a different thing when pedestrians and cars are competing for road space. Therefore, may I ask the Secretary whether he has actually read these figures clearly and sought clarification from the TD. Has the TD conducted any test before providing these figures for you to give a reply here?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, these figures are indeed provided by the TD, and the TD has conducted a site inspection and observed the pedestrian flow on that road section.

As I said in my main reply, at any time, or even on weekdays when the pedestrian flow is small, there are about 110 pph on the road section and so, there may be pedestrians using the road section at any time. However, the most important point is: How high is the chance for pedestrians to come across a vehicle under the traffic management arrangements to be implemented in the future? Under the proposed restriction, other than the periods during which the hotel vehicles are not permitted to run on the road, hotel vehicles will run at most a total of four trips in two round trips per hour when necessary. As such, the situation of pedestrians and vehicles coming across each other and having to give way to each other will not happen too frequently. Besides, according to the judgment of the TD, under the conditions on that road section, pedestrians and vehicles can give way to each other to achieve shared use of the road section.

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

**MR TOMMY CHEUNG** (in Cantonese): *The Secretary has not answered my supplementary question.*

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

**MR TOMMY CHEUNG** (in Cantonese): *My question is: Has the TD actually done any experiments to prove that the road section can allow shared use by pedestrians and vehicles before providing these figures to him? This is not a question of counting the number of pedestrians and vehicles. What I mean is whether they have actually done experiments, rather than making speculations, projections or judgment out of nothing ...*

**PRESIDENT** (in Cantonese): You have already repeated your supplementary question. Secretary, please reply.

**MR TOMMY CHEUNG** (in Cantonese): *... but based on actual experiments.*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, as I have just said, according to the TD's assessment, it should not be too often for pedestrians and vehicles to be using the road at the same time. Besides, the road should be wide enough for them, and the problem can be addressed by the pedestrians and vehicles giving way to each other.

**MR YIU SI-WING** (in Cantonese): *The conversion of this century-old residence into a hotel will bring benefits to the tourism industry and merits the support of the Government. On the premise of striking a balance among environmental protection, road safety and the interests of various sides, the Government should vet and approve the application lawfully, reasonably and sensibly. If the TD plans to further prohibit the future hotel vehicles from using the road section from 9 am to 7 pm on Saturdays, Sundays and public holidays, this is obviously posing a difficulty, which is unfair and unreasonable to patrons of the hotel. May I ask the Secretary whether the authorities will discuss with the hotel operator to seek a reasonable solution?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, as I mentioned in my main reply, given that the applicant had not proposed any vehicular restrictive arrangement for that road section initially, the TD had misgivings about the safe use of the road and therefore raised objection to the application. Subsequently, the applicant took the initiative to propose restricted use on public holidays and Sundays, and some attached conditions are also set by the TPB in approving the planning application, which are additional conditions imposed by the TPB after taking into account various factors such as the impact on traffic, reactions of residents in the district, and so on. Therefore, it is in accordance with the requirements of the TPB that the TD has further proposed the time restrictions on the use of the road section as stated in the main reply.

**PRESIDENT** (in Cantonese): Mr YIU, which part of your supplementary question has not been answered?

**MR YIU SI-WING** (in Cantonese): *The Secretary has not answered my supplementary question. It is because I pointed out that this move is to pose a difficulty, and it is actually unreasonable not to allow the hotel to use that road section on holidays ...*

**PRESIDENT** (in Cantonese): Mr YIU, no expression of views please.

**MR YIU SI-WING** (in Cantonese): *I was about to ask my question. Will the Secretary hold further discussions with the hotel operator in order to come up with a reasonable solution? He did not answer this supplementary question.*

**PRESIDENT** (in Cantonese): The Secretary has already said clearly how this problem will be addressed, just that you do not agree to the handling approach proposed by the Secretary. This is not something that can be resolved during Question Time. Please follow it up through other channels.

**MR TONY TSE** (in Cantonese): *President, the Secretary pointed out in the main reply that the TD has issued a total of five permits concurrently to the owners and occupants of the properties on the road section. May I ask the Secretary whether any survey or analysis has been conducted on the number of vehicles using the road section daily? Has any assessment been conducted to find out by how many percentage points the number of vehicles using the road section will be increased after approving this planning application for converting the residence into a hotel?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I do not have the information sought by Mr TSE on hand about the number of vehicle trips made by owners or tenants of the properties at No. 27 Lugard Road on that road section. However, it is certain that after issuing the five permits, the authorities have not imposed any restriction on them with regard to the periods during which they are allowed to use the road section. Therefore, they can use the road section according to their needs in daily living.

If the property is really converted into a hotel, in accordance with the requirements of the TPB and as I explained in my main reply earlier on, we will further restrict the use of that road section to ensure road safety and harmonious use of the road section. In this connection, hotel vehicles will not be allowed to run on that road section from 9 am to 7 pm on Saturdays, Sundays and public holidays, and even during other non-restrictive periods, hotel vehicles are only allowed to make a maximum of four trips per hour when necessary. Therefore, in respect of traffic flow, restrictions will be clearly imposed in the future to ensure that pedestrians and vehicles will not compete for road space or the road safety risks will not be too high.

**MR CHUNG KWOK-PAN** (in Cantonese): *President, according to the assessment made by the TD, there is no problem with the traffic on the road section but according to what was said earlier on, we know that the road is wide enough only for a small electric car to run on it. In fact, in the event of an emergency, such as when a fire or even a hill fire breaks out, since the nearest fire station is 1 km away according to the information provided by the Fire Services Department (FSD), can the authorities deal with these serious emergencies?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, when a fire or other emergencies break out there at any time or even if it breaks out now, the rescue officers or the FSD will face the problem of how to reach the scene through this road section in order to take rescue actions. The TD certainly did not consider this application from the angle of fire safety, and I believe the FSD or other relevant departments have provided information to the TPB for it to consider the relevant issues comprehensively.

However, from the angle of the TD, the most important factor in making an assessment is whether restrictions will be imposed on the use of the road if the property was converted into a hotel in the future. I must stress that the restriction to be imposed is that when necessary, at any time other than the restrictive period, hotel vehicles can run at most a total of four trips in two round trips per hour when necessary. Moreover, "when necessary" means the time when it is necessary to use the vehicle to meet the needs of hotel guests or other needs for transportation of goods. It does not mean that the hotel will be allowed to operate a shuttle service. Therefore, the TD is of the view that they can maintain a certain safety standard and strike a balance with the said restriction imposed on the use of the road.

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

**MR CHUNG KWOK-PAN** (in Cantonese): *It seems that the Secretary has not answered my supplementary question. Can the authorities deal with the situation when a serious fire breaks out suddenly?*

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

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, as I said just now in trying to give a reply, in vetting and approving the application the TPB would have sought the views of relevant government departments and so, the FSD should have provided their views accordingly. I believe the TPB, in making this decision, should have considered the concerns about possible fire hazards.

**MR FRANKIE YICK** (in Cantonese): *President, it is mentioned in the main reply that the EPD considered that there would be no insurmountable environmental impact arising from the proposal. The Secretary also emphasized earlier that the use of that road section will be subject to many restrictions, and it is proposed that hotel vehicles be restricted from using the road section on Saturdays, Sundays and public holidays.*

*After the residence is converted into a hotel, the pedestrian flow will naturally increase, and the waste to be generated and the disposal volume should be higher than the present levels. It is because according to press reports, the owners have actually been thoughtful as they often choose to walk rather than to drive, knowing that the road section is narrow. In the future, if waste will accumulate in the hotel and if it is not cleared up in time, how can the Secretary assert that this would not have an adverse impact on the environment?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, as far as I understand it, the TPB did seek the views of the EPD in approving this conversion proposal and when the TPB ultimately approved this application, there were also conditions attached to require the hotel to meet the requirements of the EPD.

As Mr YICK has just said, in respect of sewage disposal and other matters that may have an impact on the environment, it is indeed necessary to implement adequate measures. According to the information provided by the EPD, untreated sewage generated by the hotel, including effluent from the Jacuzzi pool, must not be discharged directly into the watercourses and streams, and under the relevant regulations, the hotel will be required to ensure that sewage is disposed of in accordance with the Water Pollution Control Ordinance. The EPD will enforce the law stringently.

During the construction of the hotel, it is also required that the concrete and detailed design and plans of the septic tank or filtering system be submitted to the Buildings Department for approval. Therefore, we can foresee that enforcement will be stringent in certain areas to ensure that there will not be any problem.

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

**MR FRANKIE YICK** (in Cantonese): *President, what about solid waste?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, the EPD has given its views to the TPB in various aspects, and in approving the application, the TPB has required the hotel to meet the requirements of the EPD in its future operation and in the course of the conversion works.

**MR WONG KWOK-HING** (in Cantonese): *President, whenever I have spare time for leisure, I will go there with my wife to take a walk and get some fresh air. I know that the hiking trail there has many visitors but the Secretary was tricky in respect of the time specified in his main reply as he purposely excluded the period from 7 am to 9 am. In setting the time restrictions, can the Secretary also include the period from 7 am to 9 am when most people go there for morning exercise and jogging?*

*Here is another option: I wonder if the Secretary can require the operator to make use of rickshaws or sedan chairs for the conveyance of guests. If rickshaws or sedan chairs can be used instead, it can address the road safety problem which is of great public concern and what is more, it is a more environmentally-friendly option that can add to the attraction to tourists in visiting this monument at Lugard Road where they can find out more about the past of Hong Kong.*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, if the hotel thinks that the use of rickshaws or sedan chairs can be a special feature adding to the attraction of the hotel, I think the hotel will certainly take it into consideration. But this is not within the scope of the traffic assessment made by the TD at the request of the TPB in vetting and approving this proposal. When conducting the traffic assessment, the TD certainly has to make consideration based on the use of the road by motor vehicles.

In approving and examining this planning application, as Members all know, the applicant did not propose any restriction on the use of the road initially. Subsequently, in response to the objection raised by the TD, the applicant proposed that the hotel vehicles be restricted from using the road section during certain periods on Sundays and public holidays. The time restriction proposed at first was actually shorter than that stated in the main reply as they only proposed no vehicular usage from 10 am to 6 pm on Sundays and public holidays. Subsequently, based on concrete figures and the number of pedestrians, the TD required that further restrictions be imposed to cover a longer period on those days and that is, there should be no vehicular usage from 9 am to 7 pm. As for the situation before 9 am, the TD has some statistics and according to the information, the pedestrian flow then is broadly the same as that during periods with smaller pedestrian flow on weekdays.

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

(Mr CHAN Chi-chuen stood up)

**MR CHAN CHI-CHUEN** (in Cantonese): *President, I request a headcount.*

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

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

**PRESIDENT** (in Cantonese): Last oral question.

### **Completion Date of Planned Public Hospital at Kai Tak Development Area**

6. **MR WONG KWOK-KIN** (in Cantonese): *President, the Chief Executive stated in his 2014 Policy Address that strategic planning would be made for building a new acute general hospital at the Kai Tak Development Area (the Kai Tak Hospital). It has been reported that according to the latest assessment, the*

*completion date of the Kai Tak Hospital, which the authorities originally forecast to be 2020 at the earliest, may be deferred to 2023. In this connection, will the Government inform this Council whether it knows:*

- (1) if the Hospital Authority (HA) has assessed, based on the current progress, whether the service planning and technical feasibility study for the Kai Tak Hospital can be completed within this year as scheduled; the latest progress of the service planning; whether, based on the authorities' latest assessment, the hospital can be completed in 2020; if so, of the detailed timetable and the expected time for submission of funding applications to the Legislative Council; if not, the details of the reasons for that; and*
- (2) if the HA has assessed the impacts of the failure to complete the Kai Tak Hospital in 2020 on the redevelopment of the Queen Elizabeth Hospital (QEH), on the service quality of the Hong Kong Children's Hospital (HKCH) upon commissioning and on the planning of the overall healthcare services in Kowloon; of the HA's measures to mitigate such impacts?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, to meet the healthcare service demand of Hong Kong in the long run, we have reserved a site in the Kai Tak Development (KTD) area for the development of healthcare facilities, including the HKCH which is under construction and the proposed acute general hospital. With the funding approval of the Finance Committee of the Legislative Council in June 2013, the construction of the HKCH has already commenced. To cater for the long-term overall demand for healthcare services in Kowloon, we have asked the HA to conduct the relevant strategic planning and studies with a view to implementing the plan of constructing an acute general hospital of a larger scale in the KTD area as soon as possible.

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

- (1) The HA is conducting the relevant strategic planning and studies on the construction of the Kai Tak Hospital in order to gauge the healthcare service needs of Kowloon and the Kai Tak area. Technical assessment and analysis of clinical needs are also carried out to ensure that the provision of healthcare services will cope with the development and demographic changes of the area. The

proposed hospital will provide clinical services of major specialties, including accident and emergency service. The planning and technical feasibility study for the construction of the new hospital are expected to be completed this year. As the relevant studies are still in progress, the completion date of the proposed general hospital has yet to be finalized. Upon the completion of the planning work, the HA can formulate a more concrete timetable for the hospital development project. We will then seek funding approval in accordance with the established procedures so as to implement the construction plan of the general hospital in the KTD area as soon as possible.

- (2) The HA plans to develop a hospital group in Kai Tak which can provide holistic healthcare services. The group of hospitals will include a paediatric hospital and a major general acute hospital with a neuroscience centre.

The ground-breaking ceremony of the HKCH was held on 25 February 2014 and the construction of the HKCH is now in full swing. The hospital is scheduled for completion in 2017 and will commence service in phases starting from 2018.

The HKCH will be the first hospital commencing service in the KTD area. During its initial stage of operation, the HKCH will be supported by other general hospitals. In the long run, its operation mode will be different from the paediatric departments of conventional general hospitals. The HKCH will focus on handling complex and rare paediatric cases which require multi-disciplinary management. Other public hospitals will continue to provide emergency care, general paediatric specialty care and community care services for paediatric patients, while complex cases such as children's cancer, cardiological and advanced nephrological cases will be referred to the HKCH. The HKCH will work in close collaboration with paediatric departments and relevant specialties of various hospital clusters to establish a co-ordinated and coherent paediatric service network that provides patients with the most suitable care. The HA is planning for the future operation of the HKCH as well as its co-ordination and support arrangement with other hospitals.

On the other hand, the HA is reviewing and assessing the demand for and supply of healthcare services in Kowloon, as well as developing the clinical services plans of the Kowloon Central Cluster and the Kowloon East Cluster. During the planning process, the long-term healthcare demand of local residents will be considered, and the direction of future service development of hospitals in the clusters (including the QEH) and their co-ordination with other hospitals will also be worked out according to the demand projection and services plans. The review and the services plans are expected to be completed within this year. The HA will continue to keep in close view the healthcare service needs in the area and deploy resources appropriately to ensure the provision of appropriate healthcare services for the local community.

The redevelopment of the QEH is still in the preliminary planning/conceptual stage and we have yet to finalize a plan for the QEH.

**MR WONG KWOK-KIN** (in Cantonese): *President, the main reply of the Government is extremely disappointing, for the Secretary is not even willing to provide an estimated timetable. In fact, the Secretary knows clearly that the Wong Tai Sin District all along needs a large-scale general hospital. The residents have been kept waiting for a long time and they look forward to the early completion of the Kai Tak Hospital. However, according to the present reply of the Government, its completion will be nowhere in sight and the residents will be disappointed once again.*

*May I ask the Secretary, prior to the completion of the Kai Tak Hospital, whether the Government will introduce some mitigation measures of short to medium term, such as launching accident and emergency (A&E) services at Our Lady of Maryknoll Hospital, to alleviate the helplessness faced by residents of Wong Tai Sin in case of acute sickness?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I thank Mr WONG for his question.

At present, A&E services in Wong Tai Sin District are provided mainly by a few nearby hospitals jointly, namely the Kwong Wah Hospital, QEH and the

United Christian Hospital. With the support of the A&E departments of these three hospitals, the demand for A&E services of the district has been met. The Hospital Authority Head Office has established a communication and review mechanism with the Fire Services Department (FSD) on routing of ambulances in carrying patients to hospitals to regularly examine the coverage and ambulance routing in the district, ensuring that residents of Wong Tai Sin will receive proper care in the event of emergency.

As far as I understand it, residents of Wong Tai Sin District all along hope that an A&E department can be set up in Our Lady of Maryknoll Hospital or a hospital in the district. However, from the professional perspective of the medical and healthcare ... colleagues in A&E specialty have examined this issue, and they consider that the operation of an A&E department has to count on the support on various fronts in a general hospital with a relatively extensive service coverage, so we have no plan to establish an A&E department in Our Lady Of Maryknoll Hospital for the time being.

**PROF JOSEPH LEE** (in Cantonese): *President, the Secretary has issued two post-dated cheques in his reply. First, the HKCH will commence service in 2018. Second, it is hoped that the new medical facilities at Kai Tak will commence service in 2020 or 2023. Certainly, the Secretary has not mentioned the specific planning of the QEH. President, I would like to ask the Secretary a question through you. He has issued these post-dated cheques, yet we are concerned about the manpower question. According to a survey conducted by the Association of Hong Kong Nursing Staff 10 years ago, one nurse had to look after 10 patients, whereas the survey completed in May this year indicates that one nurse has to look after 11 patients, which means the situation is deteriorating. The Secretary has issued two new post-dated cheques, and it seems that the HA has not set up any manpower objective. I would like to point out that the international standard is one nurse looking after six patients.*

*In the absence of a manpower objective, how can the Secretary plan the nursing manpower for the HKCH to be completed in 2018 and the new facilities at Kai Tak to be completed in 2020 or 2023 to ensure there are adequate nurses to provide services? In the absence of a manpower objective, if the abovementioned facilities can commence service as scheduled, how many additional nurses does the Secretary anticipate will be needed to ensure there is*

*sufficient nursing manpower to serve the patients in support of your two post-dated cheques? If no manpower targets have been drawn up, how can the Secretary forecast the manpower required?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, first of all, I have to clarify one point. Prof LEE said earlier that I had mentioned that the HKCH was expected to commence service in phases in 2018; this is correct. As for the general hospital at Kai Tak mentioned by Prof LEE earlier, we have not mentioned any date or years of completion and service commencement at this stage. As I explained earlier, the main reason is that the general hospital at Kai Tak is still at the planning stage now and the HA cannot propose an official date of completion yet.

As for Prof LEE's concern about the shortage of nursing manpower, in fact, the Bureau and the HA all along know that with the increase in population and the rapid ageing of the population, public hospitals in Hong Kong indeed face tremendous and increasingly heavy work pressure. The problem of tight manpower is found on various fronts in medical and healthcare services. As for nursing manpower, the response made by the HA yesterday points out that given the additional funding provided by the Government, the HA has made plans to recruit 1 600 nurses within a short time to fill some of the vacancies, so as to alleviate the problem of tight manpower. If the market situation allows, the HA hopes to employ another 300 nurses in the next stage to prepare for the peak demand for manpower which will arise by the end of the year. In this connection, we notice in retrospect that despite the increase in workload in the past few years, the number of nurses employed by the HA has increased from some 20 900 in 2011-2012 to 22 600 in 2013-2014. In the long run, the Government has set up a steering committee on healthcare manpower review, and the committee will submit the conclusion of its review within this year and make some specific recommendations on manpower planning on how to cope with the anticipated increase in hospital capacity in the next five to six years.

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

**PROF JOSEPH LEE** (in Cantonese): *The Secretary has not answered my supplementary question. My supplementary question is straightforward. If the Secretary does not have any objective, how can he plan to provide adequate manpower? The Secretary cannot simply give the number of nurses to be employed.*

**PRESIDENT** (in Cantonese): Secretary, has any indicator been laid down by the authorities?

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, in fact, I have all along noted that our healthcare workers ...

(Mr Albert CHAN stood up)

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

**MR ALBERT CHAN** (in Cantonese): *I will let the Secretary give his reply first.*

**PROF JOSEPH LEE** (in Cantonese): *Please do not interrupt the Secretary's reply.*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, thank you, Mr CHAN. In fact, all along I am aware that the healthcare sector, particularly colleagues in the healthcare trade unions, always looks forward to the drawing up of an objective and quantitative international healthcare manpower standard. In this regard, the HA's view is different from theirs. Since the system, the mode of financing and the mode of service delivery in healthcare vary from one country to another, an international standard based on relatively board consensus is absent at present, so it is not possible ... We consider it inappropriate to adopt a standardized manpower objective. All along, the HA has made planning for appropriate healthcare based on the service demand of different specialties, so as to provide suitable services ...

(Mr Albert CHAN stood up)

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

**MR ALBERT CHAN** (in Cantonese): *President, please ring the bell. I request a headcount.*

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

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

**PRESIDENT** (in Cantonese): Mr Vincent FANG, please raise your supplementary question.

**MR VINCENT FANG** (in Cantonese): *President, the population is ageing now. Many serious illnesses which were incurable in the past are now curable. The Government has to build additional hospitals, procure advanced medical equipment, spend additional resources to retain talents and enhance the quality of services. Despite all this, the provision for medical and healthcare expenditure of the Government only increases by around \$1 billion a year. The amount sounds enormous, but the actual increase is only some 3%, which is just about that of the inflation rate. May I ask the Secretary whether the Government will increase the provision for medical and healthcare upon the completion of new hospitals such as the Kai Tak Hospital? Will the Government set a fixed amount of additional provision for facilities newly commissioned or inform the public of the amount of expenditure to be increased each year?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, the issues about which Mr Vincent FANG raised enquiries just now are also a grave concern to me. Certainly, the Government will uphold two principles. First, when the Government allocates provision for the construction of new facilities, including public hospitals, it will definitely provide additional resources in some measure consequential to the commissioning of these new facilities to enable the operation of these facilities. On the other hand, the Government must adhere to

the overall principle of appropriation and take into account the prevailing economic growth of Hong Kong, ensuring that the provision amount is consistent with the overall financial status of the Government. Therefore, in gist, we will definitely plan for the expenditure increase required in response to the operational need of any hospital to be constructed in the future.

**MR CHAN KAM-LAM** (in Cantonese): *President, it is the original plan of the Government to complete the Kai Tak Hospital in 2020, yet it is now said that strategic studies and technical feasibility studies have to be conducted and no timetable is provided. Disappointment is a certainty. In the next few years, a large number of people will be moving into the Kai Tak new area, and adding to this the two new housing estates already there now, the demand for healthcare services will exert tremendous pressure on the hospital clusters in Kowloon East and Central Kowloon. May I know the contingent measures the Secretary has put in place to cope with the tremendous demand in the next few years?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, first, I have to clarify once again the point about the general acute hospital of a relatively large scale to be constructed at Kai Tak as mentioned by Mr CHAN. In fact, the Government first mentioned the proposal in the Policy Address of the Chief Executive this year. When we put forth the proposal, we stated clearly that strategic studies must first be carried out for the construction of any large-scale acute hospital. This practice is applicable not only to this hospital, for we have to conduct strategic studies prior to the implementation of every large-scale project. So, this project was first proposed in the Policy Address of the Chief Executive published early this year, and it was stated clearly that strategic studies needed to be carried out first. Prior to the completion of the report of strategic studies and the report of the technical feasibility studies to follow, basically, we will not put forth an official and specific timing for implementation — this practice is in fact adopted for all projects. The reason is that the timing for implementation can only be provided after undergoing within the Government procedures of the Resource Allocation Exercise. Basically, we have never suggested any completion date for the Kai Tak Hospital.*

A lot of discussion concerning this may be going on in the community or the hospital sector, yet it does not mean that the Government has suggested any completion date. Anyway, Mr CHAN was right in saying that Kai Tak is now

facing an increase in population, and the HA can only make use of the ancillary facilities of the QEH, the Kwong Wah Hospital and the United Christian Hospital in Central Kowloon to provide adequate services to the increasing population in the district.

**DR HELENA WONG** (in Cantonese): *A Member pointed out earlier that Kai Ching Estate and Tak Long Estate at Kai Tak have been fully occupied with over 30 000 residents. We notice that the Government's planning in healthcare services or education services has both been lagging behind in this large-scale development area. Now, the Secretary can in no way provide a timetable and he says that the studies can only be completed by the end of this year. We urge the Secretary to consider the feasibility of speeding up the process and constructing a general hospital with an A&E department in Kai Tak as soon as possible. Will the timetable be advanced? Otherwise, the 30 000 residents in Kai Tak and the increasing number of residents to move in following the development of the district will increase the load on nearby hospitals. Besides, despite a wait of almost 10 years, not a single hospital has been completed. Will the Secretary speed this up?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I fully understand that various Members are concerned about the healthcare needs of the Kai Tak area as well as the Wong Tai Sin District and the Kowloon City District in the vicinity. The planning of all large-scale works projects, including large-scale hospital projects, must undergo certain essential procedures and should not be handled hastily, yet like Members, I do hope that the planning procedures will be completed as soon as possible. However, I can tell Members in advance that for a large-scale hospital like this ... In fact, it was 10 to 20-odd years ago when Hong Kong built a hospital with over 1 000 beds. For a hospital of such a large scale and modernization, even if we have finalized the planning, we have to wait for the Finance Committee of the Legislative Council to approve the funding application, so I am afraid its completion will at least take six years.

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

**WRITTEN ANSWERS TO QUESTIONS****Proposed New Requirement on Undertaking of Auditing Services for Mainland Enterprises Listed/to be Listed in Hong Kong**

7. **MR CHRISTOPHER CHEUNG** (in Chinese): *President, in April this year, the Ministry of Finance of the State Council released the consultation paper on "Temporary Implementing Rules on Cross-border Performance of Audit-related Services by Accounting Firms (Exposure Draft)". According to the interpretations made by newspapers, the Exposure Draft proposes to require that where an accounting firm outside Chinese territory is appointed to undertake auditing business for a Mainland Enterprise listed outside Chinese territory, it shall engage an accounting firm on the Mainland which is qualified to undertake securities-related business or ranked among the top 100 in the consolidated assessment of the sector in the preceding year for business collaboration, and that the auditing work on the Mainland shall be undertaken by Mainland accountants, but the audit report shall be signed off as well as the relevant audit liabilities shall be borne by the accounting firm outside Chinese territory (hereinafter referred as "the proposed requirement"). In this connection, will the Government inform this Council:*

- (1) *given that previously the "Mainland and Hong Kong Closer Economic Partnership Arrangement" (CEPA) stipulated that the validity period of the "Provisional Licence to Perform Audit-Related Services" to be applied for by Hong Kong accounting firms to conduct temporary auditing services on the Mainland was one year, and the validity period was subsequently extended to five years by a supplement of CEPA, whether the Government has assessed if the proposed requirement is in breach of CEPA; how it will follow up on the Exposure Draft, including whether it has raised any objection with the Mainland authorities, or requested the Mainland authorities to exempt Hong Kong accounting firms from complying with the proposed requirement; and*
- (2) *whether it has assessed the risks faced by Hong Kong accounting firms in undertaking such auditing work upon the implementation of the proposed requirement, as well as if there will be increased risks for Hong Kong people to invest in Mainland enterprises listed in Hong Kong, hence undermining investors' confidence; whether it*

*will take measures to prevent the rise of risks associated with misrepresentation of accounts by Mainland enterprises listed in Hong Kong, so as to ensure that the status and reputation of the Hong Kong stock market will not be affected?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): President, we understand the concerns expressed by various sectors over the Provisional Regulations on Certified Public Accountants practices carrying out Cross-border Audit Services (Provisional Regulations). The Financial Services and the Treasury Bureau has been discussing the matter with the Hong Kong Institute of Certified Public Accountants (HKICPA) and the relevant financial regulators, with a view to further assessing the implications of the Provisional Regulations on Hong Kong in respect of market regulation and our audit profession.

We have raised with the Ministry of Finance of China (MoF) the issues regarding the Provisional Regulations that require clarification and further deliberation, and have also relayed to them the concerns of our audit profession. Through the MoF's regular meetings with relevant organizations in Hong Kong held recently, the Financial Services and the Treasury Bureau has conducted initial discussion with the MoF on this matter. According to the MoF, there have been irregularities when overseas accounting firms carried out cross-border audits in the Mainland and hence the objective of the Provisional Regulations is to strengthen the regulation of such activities, instead of seeking to make changes to the existing measures under CEPA that facilitate the Hong Kong audit profession.

We will actively follow up the matter and continue to maintain dialogue with the MoF, the HKICPA and the relevant financial regulators on the details of the Provisional Regulations in the coming months.

### **Impacts of Riots in Vietnam on Hong Kong Businessmen**

8. **MR CHUNG KWOK-PAN** (in Chinese): *President, it is learnt that quite a number of factories owned by Hong Kong businessmen in Vietnam were damaged during the anti-Chinese riots which happened earlier on. The Secretary for Commerce and Economic Development indicated on the 21st of last*

*month that he had tasked the Director of the Hong Kong Economic and Trade Office in Singapore (HKETO(SG)) to travel to Ho Chi Minh City to pay visits to the affected factories run by Hong Kong businessmen at the arrangement of the Hong Kong Business Association Vietnam (HKBAV), in order to gauge the local situation and follow up on ways to provide assistance to the Hong Kong businessmen there. In this connection, will the Government inform this Council:*

- (1) whether it has compiled statistics on the number of Hong Kong businessmen affected by the anti-Chinese riots and the amount of their financial losses;*
- (2) of the follow-up actions taken by the officials of the HKETO(SG) after inspecting the situation of the Hong Kong businessmen in Vietnam, including whether they have assisted the Hong Kong businessmen in seeking compensation from the Vietnamese authorities;*
- (3) given that, in responding to the suggestion for Hong Kong to sign an investment protection agreement with the authorities of Vietnam, the authorities have indicated that Hong Kong and the Association of Southeast Asian Nations (ASEAN) will commence formal negotiation on the Hong Kong — ASEAN Free Trade Agreement (FTA) next month in order to strengthen the economic and trade relations between Hong Kong and ASEAN Member States, thereby allowing Hong Kong businessmen to have better access to the ASEAN markets as well as securing better protection, of the provisions for protection of Hong Kong businessmen to be put forward by the authorities in the negotiation of the agreement; and*
- (4) given that the several riots which occurred in the Asia-Pacific region in recent years have impacted on the investment projects and personal safety of the Hong Kong businessmen in that region, whether the authorities will consider taking measures to safeguard the lives and properties of Hong Kong businessmen investing there?*

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

- (1) Since the outbreak of large-scale protests in Vietnam, the Commerce and Economic Development Bureau has been closely liaising with the HKBAV in Vietnam through the HKETO(SG) and the Office of the Hong Kong Trade Development Council in Ho Chi Minh City, with a view to keeping abreast of the developments in Vietnam and providing timely support and practical information.

We have learnt from the HKBAV that eight of its members had their factories in Ha Tinh Province and Binh Duong Province damaged to different extent in the protests last month. The Director of HKETO(SG) travelled to Vietnam during 21-22 May 2014 to meet with the HKBAV and visit some of the affected Hong Kong-invested factories. All eight factories have already resumed operation. The enterprises affected by the incident are still assessing their losses.

- (2) The HKETO(SG) has been monitoring the situation of the affected enterprises since the visit to Vietnam. We understand from the HKBAV that all affected enterprises have taken out insurance for their factories in Vietnam, and have started to liaise with the relevant insurance companies and relevant Vietnamese authorities in respect of matters on insurance and claims for compensation.

The Hong Kong Special Administrative Region (HKSAR) Government has not received to date any request for assistance from Hong Kong enterprises in Vietnam in seeking compensation from the Vietnamese authorities. Where any specific request for assistance is received, we will look into the matter and render assistance as appropriate and as far as practicable. In fact, during my attendance at the Meeting of Ministers Responsible for Trade of the Asia-Pacific Economic Cooperation in Qingdao last month, I have requested a meeting with the Minister of Industry and Trade of Vietnam to discuss the incident in Vietnam. Apart from urging the Vietnamese Government to take appropriate actions to protect Hong Kong people and their properties in Vietnam, I have also requested that positive response be given to possible demand for compensation from affected Hong Kong-invested factories. I also understand that the Ministry of Commerce will request the Economic and

Commercial Counsellor's Office of the Embassy of the People's Republic of China in Vietnam and the Economic and Commercial Section of the Consulate General of the People's Republic of China in Ho Chi Minh City to assist the Hong Kong business community in need in seeking follow-up arrangements from the Vietnamese Government in the aftermath of the protests. The HKETO(SG) will inform the Hong Kong business community in Vietnam of this arrangement, and will render any necessary assistance.

- (3) Hong Kong and the ASEAN will commence negotiation of Hong Kong — ASEAN FTA in July this year. This FTA will contain provisions on promotion and protection of investments. Drawing reference from the Investment Promotion and Protection Agreements (IPPA) already signed by Hong Kong with other economies, we will strive to provide comparable investment protection under the Hong Kong — ASEAN FTA.

Generally speaking, an IPPA signed by Hong Kong stipulates that the investments and return on investments of investors of a contracting party should receive fair and equitable treatment in the area of the other contracting party. In addition, an IPPA requires a contracting party to take such measures as may be reasonably necessary to ensure the protection and security of the investment of an investor of the other contracting party. Moreover, an IPPA stipulates that investors and their investments should under various circumstances receive reasonable and non-discriminatory treatment. In particular, a contracting party is obliged to make reasonable compensation in the event of expropriation by the authorities of investments of investors. A contracting party is also obliged to make reasonable compensation for destruction of investors' properties by the authorities under certain circumstances during war or other emergency situations (including insurrection or riot).

An IPPA does not guarantee that a contracting party must make compensation for all investors of their losses arising from insurrection or riot. The detailed execution in respect of each individual case depends on its actual circumstances and the specific

provisions in the IPPA. Furthermore, if an investment dispute between an investor of one contracting party and the other contracting party has not been settled amicably, the investor can submit the dispute to arbitration in accordance with the IPPA's provisions. The arbitration award shall be final and binding on the parties to the dispute. Contracting parties shall ensure the recognition and enforcement of the award in accordance with their relevant laws.

- (4) The HKSAR Government gives priority to the safety of the Hong Kong people overseas and their overseas properties. We have been in close communication with the Office of Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR and the Chinese Diplomatic and Consular Missions to various places, with a view to securing information on the latest local situation and providing assistance to Hong Kong people in those places when necessary. The HKSAR Government also disseminates timely information on Outbound Travel Alert and other related information through various channels. Hong Kong people overseas can also use the online Registration of Outbound Travel Information service of the Immigration Department (ImmD) to register their contact details. The contact details provided allows the ImmD to disseminate practical information through appropriate means, including SMS on mobile phones, when necessary.

### **Work of Offices of SAR Government on the Mainland**

9. **MR JEFFREY LAM** (in Chinese): *President, with the ever-growing economic and business activities between Hong Kong and the Mainland, Hong Kong people doing businesses on the Mainland (Hong Kong businessmen) have encountered problems from time to time and therefore have to seek assistance. In this connection, will the Government inform this Council of:*

- (1) *the number of requests for assistance received from Hong Kong businessmen or their families by the Mainland offices of the Government of the Hong Kong Special Administrative Region (the Mainland offices) in each of the past three years, together with a*

*breakdown by type of such requests and by whether or not the issues concerned had been resolved, as well as the reasons for some cases yet to be resolved;*

- (2) *the current general procedures and practices of the Mainland offices in handling requests for assistance from Hong Kong businessmen who face the following situations on the Mainland:*
- (i) *being embroiled in commercial disputes,*
  - (ii) *having disputes with the Mainland authorities,*
  - (iii) *having problems on legal matters, and*
  - (iv) *having personal safety issues; and*
- (3) *the measures taken and work carried out by the Government in the past three years to enhance the functions of the Mainland offices?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Chinese): President, this question involves various policy areas. After consulting the Commerce and Economic Development Bureau and the Security Bureau, our reply to the issues raised in the question is as follows:

- (1) The total number of requests for assistance handled by the five offices of the Hong Kong Special Administrative Region (HKSAR) Government in the Mainland (the Mainland Offices) in the past three years with a breakdown by type of such requests is set out in the table below:

<i>Type</i>		<i>Number of requests</i>		
		<i>2011</i>	<i>2012</i>	<i>2013</i>
<i>Requests relating to immigration and personal safety issues</i>				
1.	loss of travel documents or money	70	78	76
2.	persons involved in accidents, injuries or other incidents in the Mainland	431	284	277
Sub-total:		501	362	353

<i>Type</i>		<i>Number of requests</i>		
		<i>2011</i>	<i>2012</i>	<i>2013</i>
<i>Complaints against authorities in the Mainland</i>				
3.	complaints resulting from commercial disputes	19	20	20
4.	complaints relating to real estate in the Mainland	33	20	27
5.	others	144	167	96
Sub-total:		196	207	143
Grand total:		697	569	496

As the nature and complexity of cases vary and Hong Kong people seeking assistance from the Mainland Offices do not have to specify the reasons for their stay in the Mainland (for example, doing business, working, travelling or studying, and so on), breakdown of these cases on the basis of their results or identity of the assistance seekers is not available.

- (2) Assistance that the Mainland Offices can provide for the situations mentioned in the question is summarized below:

- (i) and (ii)

Being embroiled in commercial disputes and having disputes with the Mainland authorities: The Mainland Offices will not intervene into private commercial disputes. However, if a complaint against Mainland authorities is involved, the Mainland Offices will assist in referring the cases to the Mainland authorities concerned for following up at the request of the assistance seekers. As regards cases relating to disputes with Mainland authorities, save for those which have entered into legal proceedings, the Mainland Offices will assist in referring the cases to Mainland authorities concerned for following up at the request of the assistance seekers. Under the principle of "one country, two systems", the relevant cases should be handled by the relevant Mainland authorities in accordance with laws and procedures of the Mainland. Apart from making referrals, the Mainland

Offices will also follow up cases in the light of their nature and past experience gained in handling similar cases. This may entail the arrangement of meetings between assistance seekers and relevant authorities under practicable circumstances.

- (iii) Having problems on legal matters: The Mainland Offices will provide information on the contact details of law societies in the concerned provinces/municipalities, as provided by the All China Lawyers Association, to the assistance seekers concerned so that they may seek appropriate legal representation. In addition, the Guangdong Economic and Trade Office (ETO) has commissioned a Hong Kong organization to provide free legal advisory service by arranging professional Mainland legal practitioners as advisors to take shifts in the three counselling centres of the organization in Guangzhou, Shenzhen and Dongguan to answer questions of Hong Kong enterprises and residents on Mainland-related legal matters through interviews or telephone.
- (iv) Having personal safety issues: If Hong Kong residents encounter personal safety issues in the Mainland, including accidents (for example, traffic accident, fire disaster, and so on) or other emergencies (for example, robbery, assault, and so on), the parties concerned or their families should immediately report to local public security authorities for assistance, and they can also contact the Assistance to Hong Kong Residents Unit of the Immigration Department of Hong Kong (telephone hotline: 1868), the Beijing Office (BJO), the Chengdu ETO or Guangdong ETO. In general, the HKSAR Government can provide the following assistance:
  - (a) Upon receipt of information that accidents or casualties have happened to Hong Kong residents, to notify relatives of the concerned party in Hong Kong and advise on procedural matters; and

- (b) To liaise with relatives or friends of the concerned party in Hong Kong for rendering financial assistance at the request of the concerned party.
- (3) The 2013 Policy Address announced the initiative of enhancing the functions of the Mainland Offices with a view to providing better support to Hong Kong residents and enterprises in the Mainland. To implement the relevant initiative in the Policy Address, we have increased the manpower and financial provisions for the Mainland Offices since 2013-2014, and enhanced their services in the following four areas:
- (i) Liaising with Hong Kong residents and enterprises and conveying their concerns: All Mainland Offices have dedicated staff to liaise with Hong Kong residents and enterprises in the Mainland, including Hong Kong business associations, enterprises, professionals, students and retirees, and so on, to understand their situation and service needs. Regarding liaison with Hong Kong enterprises, the Mainland Offices keep them abreast of the latest policies and regulations promulgated by the Mainland authorities, economic and trade information and support measures for the trade; understand their operating situation; and convey their views and concerns to the relevant Mainland authorities in a timely manner.
  - (ii) Stepping up efforts in conducting policy research: The BJO conducts researches on national policies related to taxation, labour and intellectual property which are of concerns to Hong Kong enterprises to analyse the challenges and opportunities brought about by these policies to Hong Kong enterprises. The BJO also arranges experts to hold seminars in the Mainland and compiled Topical Newsletter to disseminate the findings to Hong Kong business associations and enterprises. The Mainland Offices have also stepped up efforts in gathering information on major development and investment projects in various provinces and municipalities and disseminating such information through periodic newsletters, as well as organizing seminars and talks on subjects which are of concerns to Hong Kong enterprises to assist them in seizing

development opportunities. In addition, the Mainland Offices have revamped their websites to facilitate Hong Kong residents and enterprises in the Mainland in obtaining information.

- (iii) Rendering assistance: In addition to the Immigration Divisions in the BJO and Guangdong ETO, the new Immigration Division in Chengdu ETO commenced operation in October 2013 to provide more timely assistance to Hong Kong residents (including Hong Kong businessmen) in distress in the Mainland. As regards other assistance cases not relating to immigration and personal safety issues, the Mainland Offices will provide practical assistance in the light of circumstances of the cases and requests from the assistance seekers.
- (iv) Enhancing communication and publicity targeted at all sectors in the Mainland: The Mainland Offices promote the strengths of Hong Kong and foster mutual understanding between Hong Kong and the Mainland through different means, and organize various promotion activities to assist Hong Kong enterprises in the Mainland to upgrade operations and develop domestic sales. For example, the Mainland Offices organized Hong Kong Week events jointly with chambers of commerce and other organizations in Xiamen and Chongqing in 2013 and 2014 respectively, in order to promote Hong Kong products and services and help Hong Kong enterprises build up brand image and explore the Mainland market.

### **Development of a Knowledge-based Economy in Hong Kong**

10. **MR ABRAHAM SHEK:** *President, Networked Readiness Index (NRI) is a measure of how prepared an economy is in applying the benefits of information and communications technologies for promoting economic growth and well-being. According to the Global Information Technology Report published by the World Economic Forum in April this year, Hong Kong has achieved an overall NRI ranking of the eighth place in 2014, six places higher than that of last year, out of the 148 economies surveyed, but her rankings in some NRI indicators (for example, software piracy rate — 30th, tertiary education gross enrolment*

rate — 39th, government procurement of advanced technology products — 19th, percentage of individuals using the Internet — 33rd, capacity for innovation — 29th, and share of workforce employed in knowledge-intensive activities — 29th) have remained quite low. In this connection, will the Government inform this Council:

- (1) *whether it will step up its efforts to advance Hong Kong's positions in the aforesaid NRI indicators; if so, of the specific measures formulated for each indicator;*
- (2) *whether it will provide funding support to the local industries, so as to boost the number of knowledge-intensive jobs and promote the development of a knowledge-based economy in Hong Kong; and*
- (3) *as the aforesaid Report has pointed out that the Singaporean Government has "a clear digital strategy that offers the best online services in the world", whether the Government has compared its recently updated 2014 Digital 21 Strategy with Singapore's digital strategy in respect of the development of online services; if so, of the outcome; if not, the reasons for that; of the latest progress of the Government's plan to promulgate the updated 2014 Digital 21 Strategy?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT:**

President, information and communications technology (ICT) is an important economic development driver. The Government's Digital 21 Strategy sets out the blueprint for Hong Kong's ICT development in different areas. Since its first issue in 1998, the Digital 21 Strategy has been updated thrice in 2001, 2004 and 2008, alongside technological advancement and the development of our community. We are now updating the Strategy to set out the framework for Hong Kong to leverage on the latest technologies to become a smarter city, and reinforce our position as a leading digital economy.

Apart from the World Economic Forum's NRI referred to in the question, Hong Kong's accomplishments in ICT are consistently recognized by renowned international benchmarking organizations. For example, we rank fifth in Asia in the Cloud Readiness Index 2014<sup>(1)</sup>, sixth worldwide and first in Asia in the Data

(1) Published by the Asia Cloud Computing Association

Centre Risk Index<sup>(2)</sup>. We also have an excellent ICT infrastructure providing Internet access at affordable price. Our mobile penetration rate at 236.8% as of March 2014 is among the highest in the world, and our average peak Internet connection speed of 68.0 Mbps is the fastest worldwide<sup>(3)</sup>.

Different agencies use different yardsticks to measure the achievements of different economies. We closely monitor the outcomes of international benchmarking studies so that we can focus on areas which indicate room for further improvement.

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

- (1) The Government has implemented a number of policies and initiatives to spur innovation and technological development in Hong Kong. Our work in relation to the NRI indicators on software piracy rate, tertiary education gross enrolment rate, government procurement of advanced technology products, percentage of individuals using the Internet, capacity for innovation and share of workforce employed in knowledge-intensive activities are detailed at Annex.
- (2) The Government established the Innovation and Technology Fund (ITF) in 1999 to provide funding support for projects that contribute to the promotion of innovation and upgrading of the industries in Hong Kong. In addition, we have put in place a host of measures to help boost the number of knowledge-intensive jobs and promote the development of Hong Kong into a knowledge-based economy, details of which are set out in Item (5) in Annex.
- (3) In our recent review of the Digital 21 Strategy, we have made reference to the national ICT strategies of some advanced digital economies including Singapore, having regard to their unique socio-economic and political contexts. With a robust and affordable ICT infrastructure, Hong Kong compares well with many economies in ICT development, including the provision of online services.

(2) Published by Cushman & Wakefield and Hurleypalmerflatt in May 2013

(3) Published by Akamai in its report on "State of the Internet" in fourth quarter of 2013

The new Strategy has recommended a host of initiatives to drive further ICT development on various fronts. These initiatives include the provision of free and user-friendly digital identity, city-wide Wi-Fi, releasing public sector information in machine-readable formats by default, supporting the development of technology startups, promoting Hong Kong as the centre of excellence for mobile solutions, encouraging the development of integrated two-way e-Government services, and so on.

We completed the public consultation on the new Strategy at the end of 2013 and are now finalizing the Strategy taking into consideration the views received. We aim to promulgate the new Strategy in mid-2014.

Annex

Government's work and Initiatives in relation to the  
Networked Readiness Index indicators

<i>Networked Readiness Index Indicator</i>	<i>Government's work/Initiatives</i>
(1) Software piracy rate	Under the Copyright Ordinance, a number of acts including possessing, selling, letting for hire, importing or exporting, as well as distributing pirated software for the purposes of trade or business may attract criminal liability. The maximum penalties are a fine of HK\$50,000 per infringing copy and imprisonment for four years. The Customs and Excise Department (C&ED) takes robust enforcement actions against software piracy. From 1 January 2013 to 30 April 2014, a total of 67 persons involving in software piracy cases were arrested. The C&ED has also been constantly strengthening its enforcement capacities, including the application of cutting-edge investigation technology and setting up of an Electronic Crime Investigation Centre in early 2013 to tackle emerging cyber-crime challenges.

<i>Networked Readiness Index Indicator</i>	<i>Government's work/Initiatives</i>
(2) Tertiary education gross enrolment rate	<p>The Government invests heavily in education to nurture talents. As at 2013-2014, the overall degree-level participation rate of the relevant age cohort stands at 38.4%. Nearly 70% have access to post-secondary education including sub-degree programmes. The 2014 Policy Address has announced a number of new initiatives to further increase higher education opportunities. Coupled with declining student population, post-secondary participation rate will continue to rise in the coming years.</p>
(3) Government procurement of advanced technology products	<p>As a major IT user, the Government procures a substantial amount of IT products and has been continuously increasing its spending on IT products. For instance, Government's spending on IT products increased from \$491 million in 2011-2012 to \$588 million in 2013-2014.</p> <p>Moreover, through the Public Sector Trial Scheme (PSTS) under the ITF, the Government provides funding to support the application of advanced technologies arising from research and development (R&amp;D) projects and conducting trials in the public sector. Two new measures were introduced to the ITF in April 2014 to further promote application of R&amp;D outcomes in the public sector, including the increase of funding ceiling of PSTS from 30% to 50% of the original ITF project cost, and waiver of industry sponsorship requirement if clear support from Government or statutory bodies in applying the R&amp;D outcome is obtained. As of end April 2014, there have been over 90 trials conducted in the public sector, among which 51 are conducted under the PSTS. The "E-Lock-Based Enabling Technology" is one of the R&amp;D outcomes applied by C&amp;ED for enhancing the efficiency of cargo inspection.</p>

<i>Networked Readiness Index Indicator</i>	<i>Government's work/Initiatives</i>
(4) Percentage of individuals using the Internet	<p>As at March 2014, our household broadband penetration rate is 83.2%, whereas our mobile penetration rate is 236.8%. Over 73% (12.5 million) of our mobile subscribers use smartphones. To facilitate easy and free access to the Internet by public, the Government, in collaboration with the industry, will further extend the GovWiFi service to more leisure locations and popular local points, and promote a common Wi-Fi branding, Wi-Fi.HK. The number of public access Wi-Fi hotspots, which are completely free of charge or free for a certain period of time, will increase from around 10 000 to 20 000 by end 2014. We have also put in place a number of initiatives to promote ICT adoption among different community groups such as students of limited means and senior citizens.</p>
(5) Capacity for innovation and Share of workforce employed in knowledge-intensive activities	<p>The Government strives to promote innovation and technology development in Hong Kong and create a vibrant ecosystem to support research, development and innovation activities, which would in turn create more knowledge-intensive jobs.</p> <p>Both the Cyberport and the Hong Kong Science Park provide the infrastructure and clustering environment to promote innovation and nurture technology start-ups in Hong Kong. The development of Science Park Phase 3 is underway. Upon its completion, the new phase will accommodate some 150 additional technology companies and create 4 000 R&amp;D jobs, further increasing the capacity of innovation.</p>

<i>Networked Readiness Index Indicator</i>	<i>Government's work/Initiatives</i>
	<p>Moreover, the ITF offers financial support to R&amp;D and technology transfer activities that boost our innovation capability. As announced in 2014-2015 Budget speech, we will introduce two proactive measures to further promote private sector investment in R&amp;D and render stronger support to downstream R&amp;D and commercialization activities, including the setting up of Enterprise Support Scheme to provide funding support to private companies for R&amp;D activities, and extending the ITF funding scope to development engineering/system integration, industrial design, compliance testing and clinical trials.</p> <p>To build up the workforce in meeting the needs of our knowledge-based economy, we provide funding support through the Internship Programme under the ITF for science, technology and engineering graduates to work on R&amp;D projects. As at April 2014, the Programme has provided around 1 500 internship positions.</p> <p>As for ICT manpower development, we have adopted a multi-pronged approach in nurturing IT professionals, including close liaison with tertiary institutions, providing more information on ICT career through a dedicated webpage and participation in career talks and exhibitions, promoting achievements in ICT through the annual Hong Kong ICT Awards and publication of success stories, and so on. We are also examining the case of establishing a framework for ICT professional recognition in Hong Kong.</p>

## Review of Individual Visit Scheme

11. **MR JAMES TIEN** (in Chinese): *President, it has been reported that the Hong Kong and Macao Affairs Office of the State Council (HKMAO) is currently responsible for co-ordinating a review on Hong Kong's capacity to receive visitors, which includes a study on Shenzhen residents visiting Hong Kong on the one-year multiple-entry Individual Visit Endorsements (multiple-entry endorsements). In this connection, will the Government inform this Council:*

- (1) *whether it knows the differences in terms of scope between the study under the co-ordination of the HKMAO and the Assessment Report on Hong Kong's Capacity to Receive Tourists (Assessment Report) completed by the Government at the end of last year; of the time that the Government plans to submit the relevant report to the HKMAO, and the expected time for it to start the discussion with the Mainland authorities on adjusting the number of Mainland visitors visiting Hong Kong under the Individual Visit Scheme (IVS);*
- (2) *as the Government indicated in its reply to a question raised by a Member of this Council in October 2012 that the authorities had not compiled any statistics on people engaged in parallel trading activities, whether the authorities have compiled such statistics at present; if they have not, how the authorities conduct studies on the impacts, on Hong Kong residents, of Mainland residents visiting Hong Kong on the multiple-entry endorsements and engaging in parallel trading activities;*
- (3) *whether it knows if the Shenzhen authorities have compiled any statistics on Mainland residents engaged in parallel trading activities; if the Shenzhen authorities have such statistics, of the details; if it has not made any enquiry with the Shenzhen authorities about such information, the reasons for that;*
- (4) *as the Secretary for Commerce and Economic Development indicated in his reply to a supplementary question raised by a Member of this Council on the 11<sup>th</sup> of this month that the Government had previously conducted a four-week survey during which 96.52% of the Mainland visitors visiting Hong Kong on the multiple-entry endorsements only made one single trip into Hong*

*Kong on the day of arrival (one trip per day), of the number of Mainland visitors visiting Hong Kong on the multiple-entry endorsements each month in the past three years and, among them, the percentage of those who made one trip per day;*

- (5) *whether it has assessed what specific impacts on Hong Kong's economy and employment, and so on, which will be brought about by replacement of the multiple-entry endorsements by one trip per day endorsements; if it has assessed, of the outcome; if not, the reasons for that; and*
- (6) *whether it has conducted studies on taking measures to first reduce the number of those Mainland visitors to Hong Kong who have relatively less spending power, instead of substantially cutting the number of IVS arrivals across the board, so as to avoid causing excessive impacts on Hong Kong's economy and employment while at the same time alleviate the inconvenience caused by visitors to local residents in their daily lives; if it has conducted such studies, of the details; if not, the reasons for that?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): President, the HKSAR Government is aware of the public concern about the impact of continuous growth in visitor arrivals on the livelihood of the community. In September 2012, the Chief Executive announced that the relevant Mainland authorities would liaise and work closely with the HKSAR Government to ascertain the receiving capacity of Hong Kong before considering implementing multiple-entry endorsements for non-permanent residents of Shenzhen, and arranging the orderly issuance of exit endorsements for non-permanent residents in six cities. The HKSAR Government also completed an Assessment Report at the end of last year, and is making great efforts to enhance Hong Kong's capacity to receive tourists along the recommendations in the Assessment Report. At the same time, the HKSAR Government has been closely monitoring the trend of visitor arrivals. Taking into account the community's continued concern about Hong Kong's capacity to receive tourists, the Chief Executive indicated in April this year that the HKSAR Government was looking into ways to adjust the growth in visitor arrivals and their composition, and would announce the outcome as soon as possible upon discussion with the Central Government and relevant Mainland authorities.

Our replies to the questions raised by Mr James TIEN are as follows:

- (1) The Assessment Report completed by the HKSAR Government at the end of last year aimed to assess Hong Kong's capacity to receive tourists in the medium term. The areas taken into account included the handling capacity of boundary control points, capacity of tourism attractions, receiving capacity of hotels, carrying capacity of public transport network, impact on the livelihood of the community, and economic impact, and so on. In view of the continuous growth in visitor arrivals, the Assessment Report recommended that Hong Kong should enhance the capacity to receive tourists in different aspects. We are currently taking follow-up actions on various fronts in line with the recommendations in the Report, including the expansion of the two theme parks, the commissioning of the second berth of the Kai Tak Cruise Terminal, and so on. We will also continue to adopt a multi-pronged approach to increase the supply of hotel rooms, with a view to fostering the long-term and stable development of our tourism industry.

We understand that the community is very concerned about the progress and outcome of the study on adjusting the growth in visitor arrivals and their composition. Therefore, we have been actively pressing ahead with the related work, including meeting with the HKMAO to exchange views and relay different views of the Hong Kong community on the IVS to the Central Government. The measures to fine-tune and improve the arrangements under the IVS are still being discussed and there is no conclusion reached at this stage. We will announce the outcome in detail at an appropriate timing.

- (2) and (3)

The HKSAR Government is very concerned about the nuisance of parallel trading activities caused to the daily lives of residents. Since September 2012, the law-enforcement agencies have implemented a series of measures to improve order at train stations and boundary control points, as well as to uphold the daily lives of our residents. The HKSAR Government will continue to take targeted measures against parallel trading activities, including intelligence collection and exchange, joint operations, immigration

control, and so on, as well as enhancing co-operation with relevant Mainland authorities.

Those involved in parallel trading activities include both Hong Kong and Mainland residents, but the Administration does not have the relevant figures. Information indicates that Mainland residents arrested in enforcement operations against parallel trading held various types of endorsements, including both single-entry and multiple-entry endorsements, and also endorsements for visiting relatives, business and individual visit. Besides, some of those arrested only entered Hong Kong once a day. Therefore, we cannot prove that a visitor is a parallel trader solely on the basis of the number of entries, otherwise visitors with genuine need to travel between Hong Kong and the Mainland more than once a day may be affected. In fact, the Immigration Department (ImmD) will target and examine visitors on the watch list of suspected parallel traders, and, if their purposes of visits are in doubt, will consider refusing their entry and repatriating them to the Mainland immediately. As at end May 2014, the ImmD has included information of more than 9 800 suspected parallel traders in the watch list and refused entry of some 16 000 persons.

- (4) The monthly statistics of visitors travelling to Hong Kong on multiple-entry endorsements in the past three years are at Annex. The ImmD does not maintain the monthly statistics of Mainland visitors travelling on multiple-entry endorsements, who only made one single trip per day in the past three years, but according to the statistics provided by the ImmD, among the Mainland visitors travelling to Hong Kong on multiple-entry endorsements in the five months between November 2013 and March 2014, more than 96% only made one single trip to Hong Kong on the day of arrival (one trip per day), and around 3% made two trips (two trips per day) or more to Hong Kong on the day of arrival.
- (5) In 2013, the average per capita spending by same-day visitors travelling on multiple-entry endorsements during their stay in Hong Kong was about \$2,220. If there is a reduction in the number of this type of visitors, the direct spending and employment opportunities brought about by these visitors for the relevant sectors in Hong Kong will drop correspondingly.

- (6) The HKSAR Government understands that the continuous growth in visitor arrivals affects the livelihood of the community. At the same time, we are also aware that some members of the trade and the public are worried that a significant reduction in the number of visitors would impose an adverse impact on the employment market. Therefore, in conducting the study on visitor arrivals and their composition, we have to analyse objectively the impact of different adjustment measures on the employment market as well as Hong Kong's overall economy. We also encourage different sectors of the community to continue to seize the time to have extensive and serious discussions and give specific recommendations. The HKSAR Government will continue to liaise and exchange views with the Central Government and relevant Mainland authorities, so that the adjustment measures eventually implemented by the Central Government would better meet the long-term and overall interests of Hong Kong.

Annex

The monthly statistics of visitors travelling to Hong Kong  
on multiple-entry endorsements from 2011 to 2013

	<i>2011</i>	<i>2012</i>	<i>2013</i>
January	581 696	757 771	1 181 976
February	363 894	628 203	787 283
March	457 272	691 406	861 717
April	454 363	707 043	882 346
May	456 955	740 423	908 547
June	417 801	730 785	946 883
July	538 519	852 590	1 038 800
August	580 085	952 560	1 073 881
September	521 789	881 063	1 069 731
October	584 416	904 559	1 081 184
November	542 530	928 772	1 109 126
December	668 794	1 052 211	1 210 074
Total	6 168 114	9 827 386	12 151 548

**Development of Businesses Outside Hong Kong by MTR Corporation Limited**

12. **MR TONY TSE** (in Chinese): *President, in recent years, the MTR Corporation Limited (MTRCL) has been actively developing property development investments and railway-related businesses (for example, its wholly-owned project of MTR Stockholm AB (MTRS) in Sweden) outside Hong Kong (including the Mainland, Europe and Australia). In this connection, will the Government inform this Council:*

- (1) *whether it knows the information on each of the businesses/projects of the MTRCL outside Hong Kong, including the specific contents, as well as the investment amounts, expected and actual profits and returns, and so on, in the past three years; whether the MTRCL has assessed and managed the risks of each investment and development project outside Hong Kong; if it has, of the results; whether the MTRCL has set any objective of investment returns, made clear the individuals/institutions bearing the various types of risks, set an upper limit on risk tolerance, set a cap on the amount and share of investment, and how it ensures that the company will not put the cart before the horse by developing businesses outside Hong Kong at the expense of its local business;*
- (2) *of the role, powers and responsibilities of the Government in the MTRCL's development of businesses outside Hong Kong; whether it has formulated relevant codes and guidelines for compliance by the MTRCL; if it has not, of the reasons for that; if it has, the specific contents of such codes and guidelines, and whether it has reviewed and amended them on a regular basis; and*
- (3) *whether it has assessed the pros and cons of the MTRCL's development of businesses outside Hong Kong with respect to the railway services provided by the MTRCL in Hong Kong; if it has, of the assessment outcome and corresponding measures; if not, the reasons for that?*

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

Hong Kong is the home base of the MTRCL. Local business has been the foundation of the MTRCL's development strategy. The Corporation undertakes that the development of local business will not be affected by its pursuit of businesses in the Mainland and overseas.

The MTRCL has been expanding its railway and property-related businesses in the Mainland and overseas through joint ventures and wholly-owned subsidiaries. In the Mainland, the MTRCL has been involved in the construction and operation of Beijing Metro Line 4, Daxing Line and Line 14, Shenzhen Metro Longhua Line and Hangzhou Metro Line 1. As regards its overseas business, the Corporation is responsible for operating the London Overground, a railway system in London, the United Kingdom; the Melbourne train system in Australia; and the Stockholm Metro in Sweden. The MTRCL is also currently involved in property development projects in the Mainland, respectively in Shenzhen and Tianjin. In 2013, the contribution of railway and property-related businesses outside Hong Kong to the Corporation's profit for the year is HK\$487 million. Provided by the MTRCL, details of its invested and committed projects outside Hong Kong (including the amount of investment and business model, and so on, of each project) are set out in Annex<sup>(1)</sup>. Details of anticipated and actual profits as well as target return on investment of each project are not provided as they are commercially sensitive information. At present, all profits generated by Mainland and overseas businesses are included in the Corporation's underlying business profits, part of which are shared with passengers in Hong Kong vide the "10% Same-Day Second-Trip Discount" under the "Profit Sharing Mechanism" introduced after the review on the Fare Adjustment Mechanism of MTRCL in 2013.

The MTRCL points out that in considering its investment and business development outside Hong Kong, it will take into account the following series of factors:

- (i) utilization of experience and expertise gained from core business in Hong Kong to enhance the quality of operation in the Mainland and overseas, with a view to promoting the brand name and image of the MTRCL;

(1) The MTRCL's projects outside Hong Kong are at different stages of equity injection depending on actual status of each project. The amount of investment is not on a per year basis. Therefore, only the invested and committed amounts of investment of the projects are provided.

- (ii) provision of opportunities for working and learning in cities in the Mainland and overseas for employees from Hong Kong. They can bring back to Hong Kong the experience gained in construction, operation and management from different places to enhance professional knowledge in the local business, and make continuous improvements to service; and
- (iii) whether reasonable business returns based on the risk level of investment projects can be achieved.

The MTRCL points out that it carefully analyses each and every potential project before making an investment. The analysis includes a review on the risk and return, legal and regulatory factors in the local environment, market competition, staffing need from Hong Kong, and local human resources, and so on. Other than carrying out assessments internally, the Corporation also engages external consultants for assistance and advice as necessary, with a view to ensuring that the investment is pursued on the principle of striking a balance between risks and reasonable returns. The MTRCL has established a set of stringent assessment and approval procedures for its business development outside Hong Kong. In accordance with the amount of investment and nature of each project, an Executive-level Investment Committee will examine the merits and feasibility which will be followed by a review by the Executive Committee chaired by the Chief Executive Officer and comprising all Executive Directorate and General Manager — Corporate Relations as members. If necessary, the project will undergo a due diligence review undertaken by an independent review group formed by staff members from different departments who are not associated with the project. The group will then submit a review report on risks and details to the Executive Committee. Finally, the project is presented to the MTRCL Board for approval. Projects which have been approved to proceed are subject to periodic internal review on areas including business risk-management and operational safety, and so on. The MTRCL Board has earlier decided to review matters including the Corporation's business strategy and human resources allocation, and so on, for its businesses outside Hong Kong, so as to ensure that local business is not affected.

The MTRCL's businesses in the Mainland and overseas are centrally managed by the China and International Business Division led by the Deputy Chief Executive Officer. This division ensures businesses outside Hong Kong are developed in accordance with the established strategies and within the financial budget. The China and International Business Division regularly

reports to the Executive Committee and the MTRCL Board on the status of all projects.

According to information provided by the MTRCL, its total investment in Mainland projects cannot exceed 15% of the Corporation's shareholders' fund including all equity investment and shareholders' loan. This ratio and whether or not this ratio shall cover the Corporation's overseas business are subject to internal review by the Corporation from time to time. The Corporation's shareholders' fund in 2013 was HK\$152.6 billion. The total investment in Mainland business, amounted to around HK\$12.52 billion, was 8% of the total shareholders' fund. For overseas business, the MTRCL's existing and committed investment was around HK\$667 million.

The MTRCL points out that its management of businesses in the Mainland and overseas follows the principle of "on-the-ground management", for example, Beijing Metro Line 4, Daxing Line and Line 14 are managed by the joint venture Beijing MTR Corporation Limited (the MTRCL holding 49% shares), while the Melbourne train system is managed by the joint venture Metro Trains Melbourne Pty. Ltd (MTRCL holding 60% shares). As at 31 May 2014, there are 139 Hong Kong employees involved in businesses outside Hong Kong. Apart from the dedicated staff responsible for businesses outside Hong Kong, 27 are temporarily seconded from Hong Kong business.

The MTRCL must pursue its businesses outside Hong Kong on the premise of keeping its primary focus on the local railway service. The Government has always reminded the Corporation not to put the cart before the horse and explore Mainland and overseas businesses at the expense of local service. The Corporation undertakes that the development of local business will not be adversely affected by its pursuit of businesses in the Mainland or abroad. In fact, the Corporation's staff in the Mainland and overseas are mostly recruited domestically instead of being deployed from Hong Kong. Up to May 2014, the MTRCL has recruited a total of around 16 200 local staff from the Mainland and overseas.

The Government understands the public's concern about the governance and business strategy of the MTRCL, and we will proactively carry out our duty as the Corporation's majority shareholder. We will call on the Corporation to seriously review its corporate structure and operation as well as to make necessary reform. The Government will also call on the MTRCL Board to

review the Corporation's direction and strategy of businesses outside Hong Kong. The Government has a list of measures in place to strengthen the MTRCL Board including nominating additional Board Directors. As the MTRCL is a listed company, any measures we implement have to comply with the Companies Ordinance and Listing Rules. However, the MTRCL is also a company that serves the public as it operates the whole railway network in Hong Kong. The Corporation has its public responsibility to 99 ulfill, and local Hong Kong business always comes first. It is therefore not simply on a par with ordinary listed companies.

Annex

## Mainland and Overseas Business Overview provided by MTRCL

<i>Project name</i>	<i>MTRCL shareholding/ amount of investment<sup>(1)</sup></i>	<i>Business model</i>	<i>Commencement date of franchise/ expected date of commencement of operation</i>	<i>Franchise/ concession period (years)</i>	<i>Number of stations</i>	<i>Route length (km)/Gross Floor Area (GFA)</i>	
<i>Mainland China railway business</i>							
<b>Beijing MTR Corporation Limited (MTRCL holding 49% shares)</b>							
1.	Beijing Metro Line 4	RMB 680 million	Public-Private-Partnership (PPP)	September 2009	30	24	28
2.	Daxing Line of Beijing Metro Line 4	N/A <sup>(2)</sup>	Operations and Maintenance (O&M) concession	December 2010	10	11	22
3.	Beijing Metro Line 14	RMB 2.2 billion <sup>#(3)</sup>	O&M concession	Phase 1: May 2013 Phase 2: End of 2014 Phase 3: 2015	30 <sup>(3)</sup>	Phase 1: 7 Phases 2 and 3: 30	Phase 1: 12.4 Phases 2 and 3: 34.9
<b>MTR Corporation (Shenzhen) Limited (MTRCL holding 100% shares)</b>							
4.	Shenzhen Metro Longhua Line	HKD 2.64 billion	Build-Operate-Transfer (BOT) <sup>(4)</sup>	Phase 1: July 2010 Phase 2: June 2011	30	Phase 1: 5 Phase 2: 10	Phase 1: 4.5 Phase 2: 16
<b>Hangzhou MTR Corporation Limited (MTRCL holding 49% shares)</b>							
5.	Hangzhou Metro Line 1	RMB 2.22 billion	PPP	November 2012	25	31	48
Total investment amount of Mainland China railway business: around HKD 8.82 billion							

<i>Project name</i>	<i>MTRCL shareholding/ amount of investment<sup>(1)</sup></i>	<i>Business model</i>	<i>Commencement date of franchise/ expected date of commencement of operation</i>	<i>Franchise/ concession period (years)</i>	<i>Number of stations</i>	<i>Route length (km)/Gross Floor Area (GFA)</i>
<i>Mainland China property development, rental and management business</i>						
MTR Property Development (Shenzhen) Company Limited (MTRCL holding 100% shares)						
6. Shenzhen Metro Longhua Line Depot Site Lot 1	HKD 2.18 billion	Property development	N/A	N/A	N/A	Total developable GFA 206 167 sq m
Tianjin TJ-Metro MTR Construction Company Limited (MTRCL holding 49% shares)						
7. Tianjin Metro Line 6 Beiyunhe Station Lot	RMB 1.11 billion	Property development	N/A	N/A	N/A	Total developable GFA 278 650 sq m
MTR (Beijing) Commercial Facilities Management Company Limited (MTRCL holding 100% shares)						
8. Beijing Ginza Mall	HKD 113 million (including equity 93 million and shareholders' loan 20 million)	Investment property	N/A	N/A	N/A	30 000 sq m
MTR (Beijing) Property Services Company Limited (MTRCL holding 100% shares)						
9. Beijing AO City Fortune Centre, North Star Paseo Mall and office towers	RMB 3 million	Property management	N/A	N/A	N/A	256 000 sq m
Total investment amount of Mainland China property business: around HKD 3.7 billion						
Total investment amount of Mainland China projects: around HKD 12.52 billion						
<i>Overseas railway business</i>						
London Overground Rail Operations Ltd (MTRCL holding 50% shares)						
10. London Overground	GBP 1 <sup>(5)</sup>	O&M concession	November 2007	9	57 <sup>(6)</sup>	124
MTR Stockholm AB (MTRCL holding 100% shares)						
11. Stockholm Metro, Sweden	SEK 70 million (including equity 40 million and capital contribution 30 million)	O&M concession <sup>(7)</sup>	November 2009	8	100	110

<i>Project name</i>	<i>MTRCL shareholding/ amount of investment<sup>(1)</sup></i>	<i>Business model</i>	<i>Commencement date of franchise/ expected date of commencement of operation</i>	<i>Franchise/ concession period (years)</i>	<i>Number of stations</i>	<i>Route length (km)/Gross Floor Area (GFA)</i>
Metro Trains Melbourne Pty. Ltd (MTRCL holding 60% shares)						
12. Melbourne train system, Australia	AUD 39 million (including equity 9.75 million and shareholders' loan 29.25 million)	O&M concession	November 2009	8	218	390
MTR Express AB (MTRCL holding 100% shares)						
13. MTR Express, Sweden	SEK 260 million (including equity 20 million, shareholders' loan 140 million and capital contribution 100 million <sup>#</sup> )	Open access operation	N/A <sup>(8)</sup>	N/A <sup>(9)</sup>	7	455
Total investment amount of overseas projects: around HKD 667 million						

## Notes:

- (1) Amount of investment till 31 May 2014, which includes equity investment and shareholders' loan but not any commitment of bank guarantee, parent company guarantee nor performance bond under concession agreement.
  - (2) The line is owned and built by the Beijing Municipal Government. Beijing MTR Corporation Limited is only responsible for its daily operational expenses.
  - (3) Business model will change to PPP after full line operation for a term of 30 years. The concession agreement is subject to approval by authorities in the Mainland China as of 31 May 2014. MTRCL will contribute additional equity of approximately RMB 2.2 billion to Beijing MTR Corporation Limited to support the investment.
  - (4) Shenzhen Metro Longhua Line Phase 1 assets are owned by the Shenzhen Municipal Government and MTR Corporation (Shenzhen) Limited took over the operation of Phase 1 in July 2010.
  - (5) The project is supported by the shareholders' equity and loan. The loan has been paid back earlier.
  - (6) Only includes the stations operated and managed by London Overground Rail Operations Ltd. The total number of stations of London Overground is 83.
  - (7) Train maintenance under a 50:50 joint venture between MTR Stockholm and Mantena AS.
  - (8) After the delivery of new trains, service will be launched following relevant tests.
  - (9) The license to operate this service is subject to renewal.
- # Capital has yet been contributed. This is a committed investment amount.

**Development of Innovation and Information Technology Industries**

13. **MR CHRISTOPHER CHUNG** (in Chinese): *President, regarding the support provided by the Government and relevant organizations for promoting the development of the innovation and information technology (IIT) industries in Hong Kong, for example, subsidies/sponsorships for various activities such as visits, exhibitions, seminars, forums, workshops and training courses as well as perfecting the system for recognition of information and communications technology professional qualifications, will the Government inform this Council:*

- (1) *of the respective numbers of activities/projects, which aimed at promoting IIT development, subsidized by the Office of the Government Chief Information Officer (OGCIO) and the Innovation and Technology Commission (ITC), in each of the past five years, and set out, by name of the organization subsidized, in a table the titles and nature of the activities/projects, the subsidizing department (OGCIO/ITC), dates of the activities/projects, amounts of the subsidies and numbers of times that the organizations concerned had been subsidized;*
- (2) *of the respective criteria based on which the OGCIO and ITC decide whether or not to subsidize an organization or activity/project, as well as the scope and amount of a subsidy to be granted; of the specific policy bases for such criteria, and the persons (if government officials are involved, of their ranks) responsible for vetting and approving the applications for subsidies;*
- (3) *whether it knows the respective numbers of activities/projects, which aimed at promoting the development of IIT, sponsored by the Hong Kong Cyberport Management Company Limited (Cyberport) and the Hong Kong Science and Technology Parks Corporation (STP) in terms of money or venues, in each of the past five years, and set out, by name of the organization sponsored, in a table the titles and nature of the activities/projects, dates of the activities/projects, amounts and/or venues sponsored and numbers of times the organizations concerned had been sponsored;*
- (4) *whether it knows the respective criteria based on which the Cyberport and STP decide whether or not to sponsor an*

*organization or activity/project, as well as the form and amount of a sponsorship to be offered; of the specific policy bases for such criteria, and the persons (if government officials are involved, of their ranks) responsible for vetting and approving applications for sponsorships;*

- (5) whether it knows, since the establishment in 2007 of the Hong Kong Institute for IT Professional Certification (HKITPC), which is responsible for assessment and certification of information technology (IT) professional qualifications, the total number of IT professional certifications that the Institute has awarded, the total amount of subsidies that the Institute has received from the Government and the format (one-off or recurrent) of such subsidies, the total number of persons that the Institute has awarded certifications, and the status of the Institute's certifications being recognized by relevant professional bodies in Hong Kong and on the Mainland as well as internationally;*
- (6) given that the Government currently proposes the establishment of a unified information and communications technology professional recognition framework (unified framework), of the differences between the positioning of this framework and that of the HKITPC; whether it has assessed if there is any overlap of the functions of these two entities in concurrently awarding certifications and if there is any waste of resources in this respect; if it has assessed, of the findings; and*
- (7) as it is reported that currently the certifications awarded by the Hong Kong Institution of Engineers (HKIE) and the British Computer Society (BCS) (Hong Kong Section) gained recognition of professional qualifications internationally and on the Mainland through the professional recognition by the Engineers Registration Board, whether there will be/is a similar mechanism for mutual recognition of the certifications to be awarded by the unified framework proposed by the Government and being awarded by the HKITPC, so as to avoid creating extra pressure on local IT practitioners arising from the need to sit for different examinations in order to obtain different professional certifications?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): President, my reply to the seven-part question is as follows:

- (1) The projects funded by the OGCIIO and the Innovation and Technology Fund (ITF) under the ITC from 2009-2010 to 2013-2014 are set out at Annexes A and B respectively.
- (2) The OGCIIO is a Government department responsible for the development of innovation and communications technology (ICT) within and outside Government. One of its missions is to promote and facilitate the wider use of ICT in the business sector and the community, and develop Hong Kong into a digitally inclusive knowledge-based society. In this connection, subject to resource availability, the OGCIIO will make use of departmental funding to support IT projects initiated by local organizations, in order to tap community wisdom, leverage industry network, reinforce collaboration between the Government and the industry, and jointly create an atmosphere for developing the ICT industry in Hong Kong. Since 2011-2012, we set sponsorship themes in consultation with the Digital 21 Strategy Advisory Committee (D21SAC) every year and openly invited proposals under these themes.

The OGCIIO devised the criteria and marking schemes for assessing the proposals under each specific theme, which are scrutinized and approved by the Government Chief Information Officer (GCIO), and are set out in the corresponding Requests for Proposals. The assessment criteria typically include cost-effectiveness, feasibility, practicability, uniqueness and sustainability, as well as the track record and management capability of the proponents.

All eligible proposals are assessed by an evaluation panel chaired by a Deputy Government Chief Information Officer. Depending on the nature of the theme, representatives from relevant government departments, members of D21SAC and the industry are invited to participate in the assessment so as to take into account of industry views. The evaluation panel's recommendations will be submitted to GCIO for approval.

As regards the ITC, it administers the General Support Programme (GSP) under the ITF to support non-R&D projects that contribute to the upgrading and development of our industries as well as fostering of an innovation and technology culture in Hong Kong. Projects supported under the GSP include conferences, exhibitions, seminars, workshops, promotional events, studies and surveys, and so on.

All applications will first be considered by a Vetting Committee comprising members from the industry, academia and professional sector based on the GSP assessment framework. The Vetting Committee will then make recommendations to the Commissioner for Innovation and Technology (CIT) for approval.

In assessing project applications, the CIT and the Vetting Committee will consider a number of factors based on the GSP assessment framework, which include expected social impact, government policies, quality of submission, management capability of the applicant and financial assessment.

- (3) The projects sponsored by the Cyberport and the Hong Kong Science and Technology Parks Corporation (Science Park) from 2009-2010 to 2013-2014 are set out at Annexes C and D.
- (4) The Cyberport and Science Park follow their sponsorship policies and guidelines in providing sponsorship to other organizations in the form of cash reimbursement of actual expenses or venue. The major approval criteria include whether the sponsored activities align with the missions and goals of the Cyberport and Science Park, whether the activities are conducive to enhancing their images and strengthening their collaboration with the industry. Depending on the amount of sponsorship sought, the sponsorship applications are approved by the management or the Board of Cyberport and Science Park.
- (5) The HKITPC is a non-profit organization established by IT professionals in 2007. To our understanding, the HKITPC has so far offered six certifications under the Certified Professional of IT (CPIT) scheme. Among these certifications, three of them are assessment-based senior professional certifications, namely, "Project

Director", "Systems Architect" and "Quality Assurance Manager". The other three are examination-based professional certifications, namely, "Associate Project Manager", "Information Security Officer", and "Business Analyst".

The OGCIO provided one-off subsidies of \$900,000 and \$960,000 to the Hong Kong Computer Society (HKCS) in 2005 and 2007 respectively to develop the CPIT scheme and launch a pilot programme. In 2013, the HKITPC also obtained a one-off subsidy of \$230,000 from the Government's "Professional Services Development Assistance Scheme" to implement the project "Promoting the Hong Kong Certified Professional IT Certification Scheme". According to the information provided by the HKITPC, for the 375 persons applied for the CPIT certifications, 172 persons (accounting for 46% of the total number) have successfully obtained the certifications. The passing rates of senior professional certifications and professional certifications are 69% and 34% respectively.

To our understanding, the HKCS/HKITPC signed a one-year Memorandum of Understanding (MOU) in 2010 with the Guangdong Modern Information Service Industry Association on co-operation between Hong Kong and Guangdong for the promotion of IT professional certifications in the two places. In 2014, the HKCS/HKITPC also signed a MOU with the IT Service Management Forum (itSMF) Hong Kong Chapter to enhance collaboration.

- (6) The HKITPC awards certifications to individuals based on the knowledge, skills, competency and work experience of the practitioners, whereas the proposed unified information and communications technology (ICT) professional recognition framework (unified framework) recognizes those professional qualification schemes that have achieved a certain level of professional standard (rather than individual professionals). As the positioning of the HKITPC and the proposed unified framework is different, there is no overlap of their functions.

- (7) At present, members of the HKIE and the BCS can register as a Registered Professional Engineer via the Engineers Registration Board in accordance with the Engineers Registration Ordinance. Both HKIE and BCS also provide professional qualifications that are recognized internationally. For mutual recognition with the Mainland, the arrangement between the HKIE and the China Association for Science and Technology covers only the mechanical, electrical, and manufacturing & industrial engineering disciplines but not the ICT discipline. Currently, there is no similar mechanism for mutual recognition of the certifications awarded by the HKITPC.

To facilitate international recognition, the proposed unified framework makes reference to the "Skills Framework for the Information Age" which is being used in over 100 countries/economies. Besides, the proposed unified framework could embrace different ICT professional qualification schemes, thus would facilitate useful discussion of mutual recognition arrangement with other places (including the Mainland). ICT practitioners could select the professional qualification schemes that best suit their career path and development needs for recognition under the proposed unified framework. This would also help relieve their pressure arising from the need to obtain different professional certifications.

Annex A

Projects Sponsored by  
the Office of the Government Chief Information Officer  
from 2009-2010 to 2013-2014

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
<i>2009-2010</i>			
Aberdeen Kai-Fong Welfare Association Social Service Centre	Be-Netwise Internet Education Campaign	9/2009-11/2010	1,596,530.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Asbury Methodist Social Service	Be-Netwise Internet Education Campaign	9/2009-11/2010	2,905,168.00
British Computer Society (Hong Kong Section)	Hong Kong ICT Awards 2009 [Best Professional Development Award]	8/2009-3/2010	257,192.69
Caritas Hong Kong	Be-Netwise Internet Education Campaign	9/2009-11/2010	1,376,066.00
Christian Action	Be-Netwise Internet Education Campaign	9/2009-11/2010	2,953,080.00
Communication Association of Hong Kong	How to Prepare Oneself for ICT Industry (Seminar)	8/2009-3/2010	29,700.00
District Cyber Centres Alliance	Operation of the District Cyber Centres Scheme	4/2010-3/2012	13,355,000.00
Friends of Scouting Organization	Be-Netwise Internet Education Campaign	9/2009-11/2010	3,638,071.00
GS1 Hong Kong	The 9th GS1 Hong Kong Supply Chain Management Excellence Summit	11/2009	247,000.00
	Developing dsENGINE; Implementing Hong Kong Discovery Services; and Implementing Root discovery Services (Software development and implementation)	4-10/2010	467,250.00
Holy Carpenter Church Community Centre	Be-Netwise Internet Education Campaign	9/2009-11/2010	3,136,670.00
Hong Kong Chapter of Association for Computing Machinery	Association of Computing Machinery — Hong Kong Chapter Collegiate Programming Contest	5-7/2009	30,186.17

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Children and Youth Services	Be-Netwise Internet Education Campaign	9/2009-11/2010	8,394,721.00
Hong Kong Computer Society	Hong Kong ICT Awards 2009 [Best Business Award]	8/2009-3/2010	697,002.70
	Organizing Asia Pacific ICT Alliance (APICTA) Awards Delegation	9-12/2009	85,944.86
Hong Kong Council of Social Service	Digital Solidarity Fund	4/2009-3/2011	4,000,000.00
	IT Training Programme for SMEs in Social Enterprises	6/2009-7/2010	937,442.60
	Hong Kong ICT Awards 2009 [Best Digital Inclusion Award]	8/2009-3/2010	352,260.35
Hong Kong Cyberport Management Company Limited	IT Exchange Programme	7/2009	752,788.05
	IT Internship Co-ordination and Facilitation Programme	4/2010-3/2011	1,083,720.47
Hong Kong Digital Entertainment Association	Hong Kong ICT Awards 2009 [Best Digital Entertainment Award]	8/2009-3/2010	284,992.70
Hong Kong Employment Development Service Limited	Be-Netwise Internet Education Campaign	9/2009-11/2010	2,306,134.00
Hong Kong Family Welfare Society	Be-Netwise Internet Education Campaign	9/2009-11/2010	2,369,500.00
Hong Kong Federation of Youth Groups	Be-Netwise Internet Education Campaign	9/2009-11/2010	24,232,573.00
Hong Kong Information Technology Federation	Hong Kong ICT Awards 2009 [Best Lifestyle Award]	8/2009-3/2010	285,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	2009 Guangdong-Hong Kong RFID Technology Application Summit	9/2009	80,000.00
Hong Kong Retail Technology Industry Association	Retail 2.0 for ICT Expo	4/2010	103,595.00
Hong Kong Society for the Aged	Dedicated Portal for the Elderly	11/2009-4/2013	5,750,000.00
Hong Kong Software Industry Association	ICT Solution and Service Centre of the ICT Employment Centre	10/2009	916,200.00
	Hong Kong ICT Awards 2009 [Best Collaboration Award]	8/2009-3/2010	368,829.65
Hong Kong Trade Development Council	Supporting ICT SMEs to Exhibit in the International ICT Expo	4/2010	646,805.00
Hong Kong Wireless Technology Industry Association	Brand-Building Programme for the Hong Kong Wireless Technology Industry (Marketing and promotion)	7/2009	167,500.00
	Hong Kong ICT Awards 2009 [Best Ubiquitous Networking Award]	8/2009-3/2010	363,666.76
	IT Training Programme for SMEs in Manufacturing	8/2009-9/2010	989,702.99
	Mobile Insight (Forum and exhibition)	4/2010	231,500.00
	Wireless Services Value Chain Co-operation (Forum, exhibition, business matching, and so on)	7/2010-12/2012	2,615,804.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Youth Cultural & Arts Foundation Ltd	Inter-Primary Schools Quiz	1-4/2010	200,000.00
Internet Professional Association	Hong Kong ICT Awards 2009 [Best Innovation & Research Award]	8/2009-3/2010	592,060.00
	Starting an IT-related Business of the ICT Employment Centre (Marketing and promotion)	8/2009-7/2010	934,500.00
	IT Training Programme for SMEs in Manufacturing	8/2009-8/2010	869,055.00
	Web Care Campaign (Visits, talks, seminars and accreditation scheme)	3/2010-1/2011	300,000.00
Manufacturing Enterprise Integration and Innovation Association Ltd	IT Training Programme for SMEs in General Industries	8/2009-8/2010	996,851.20
Salvation Army	Be-Netwise Internet Education Campaign	9/2009-11/2010	1,738,242.00
St. James' Settlement	Be-Netwise Internet Education Campaign	9/2009-11/2010	1,537,062.00
The Hong Kong Institution of Engineers — IT Division	Hong Kong ICT Awards 2009 [Best Public Service Application Award]	8/2009-3/2010	289,656.12
Tung Wah Group of Hospitals	Be-Netwise Internet Education Campaign	9/2009-11/2010	5,224,858.50
YMCA of Hong Kong	Be-Netwise Internet Education Campaign	9/2009-11/2010	888,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
<i>2010-2011</i>			
British Computer Society (Hong Kong Section)	Hong Kong ICT Awards 2011 [Best Professional Development Award]	10/2010-6/2011	262,866.09
DotAsia Organisation Limited	Internet Governance Forum Hong Kong	6/2010	480,000.00
Green ICT Consortium	Hong Kong ICT Awards 2011 [Best Green ICT Award]	10/2010-6/2011	355,578.70
	Green ICT Forum	2-12/2011	44,254.00
GS1 Hong Kong	The 10th GS1 Hong Kong Supply Chain Management Excellence Summit	11/2010	180,000.00
Hong Kong Computer Society	Organizing Asia Pacific ICT Alliance (APICTA) Awards Delegation	10/2010	46,835.33
	Hong Kong ICT Awards 2011 [Best Business Award]	10/2010-6/2011	529,050.50
	Talent ICT Youth Program ("ICT-as-a-Career" toolkit and talks)	8/2011-1/2013	188,100.00
Hong Kong Council of Social Service	Hong Kong ICT Awards 2011 [Best Digital Inclusion Award]	10/2010-6/2011	299,080.66
	Forum on ICT applications for People with Disabilities	12/2010	400,000.00
Hong Kong Digital Entertainment Association	Hong Kong ICT Awards 2011 [Best Digital Entertainment Award]	10/2010-6/2011	336,550.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Information Technology Federation	Hong Kong ICT Awards 2011 [Best Lifestyle Award]	10/2010-6/2011	285,000.00
	Delegation to World Congress on Information Technology for World Information Technology and Services Alliance Global ICT Excellence Awards	5/2010	43,800.00
Hong Kong Information Technology Joint Council	The 5th Technology Economics Summit	4/2010	125,000.00
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	2010 Guangdong-Hong Kong RFID Technology Application Summit	9/2010	80,000.00
Hong Kong Software Industry Association	Hong Kong ICT Awards 2011 [Best Collaboration Award]	10/2010-6/2011	302,500.00
	2010 The 14th International Soft China — Hong Kong Delegation and Hong Kong Pavilion	6/2010	161,869.29
	2011 The 15th International Soft China — International Forum and Hong Kong Pavilion	5/2011	626,000.00
Hong Kong Trade Development Council	Co-organizing ICT Seminar in SmartHK Expo	5/2011	2,770.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong United Youth Science and Technology Association	"Competitiveness Diagnostic and Improvement Skills Training for IT Professional to become a Consultant" of the ICT Career Centre	5/2011-12/2012	278,000.00
Hong Kong Wireless Technology Industry Association	Hong Kong ICT Awards 2011 [Best Ubiquitous Networking Award]	10/2010-6/2011	348,184.80
Internet Professional Association	Hong Kong ICT Awards 2011 [Best Innovation & Research Award]	10/2010-6/2011	541,652.50
	Administer the Funding Scheme on Assistive Technologies for Persons with Disabilities	12/2010-5/2012	280,400.00 (plus 3,150,991.38 for nine supported projects)
	World Summit Award Grand Jury	4/2011	570,265.00
Senior Citizen Home Safety Association	The 1st Asia Pacific eCare and TeleCare Congress	6/2011	107,771.00
The Hong Kong Institution of Engineers — IT Division	Hong Kong ICT Awards 2011 [Best Public Service Application Award]	10/2010-6/2011	267,852.45
<i>2011-2012</i>			
British Computer Society (Hong Kong Section)	Hong Kong ICT Awards 2012 [Best Professional Development Award]	11/2011-6/2012	246,263.75
Chamber of Security Industry	2011-2012 Sector-specific Programme for Business Services Sector	2/2012-4/2014	926,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
CPMS Social Center for the Elderly of Grace	ICT training programme for the elderly	1-8/2012	261,550.97
Evangelical Lutheran Church Social Service — Hong Kong	ICT training programme for the elderly	1-8/2012	260,906.42
Green Consortium	ICT Hong Kong ICT Awards 2012 [Best Green ICT Award]	11/2011-6/2012	400,100.00
GS1 Hong Kong	2011-2012 Sector-specific Programme for wholesale/retail Sector	2/2012-11/2013	886,277.90
Hong Kong Computer Society	Organizing Asia Pacific ICT Alliance (APICTA) Awards 2011 Delegation	11/2011	51,348.96
	Hong Kong ICT Awards 2012 [Best Business Award]	11/2011-6/2012	389,140.00
Hong Kong Council of Social Service	Hong Kong ICT Awards 2012 [Best Digital Inclusion Award]	11/2011-6/2012	316,957.90
	Operation of the District Cyber Centres Scheme	4/2012-3/2013	900,000.00
Hong Kong Digital Entertainment Association	Hong Kong ICT Awards 2012 [Best Digital Entertainment Award]	11/2011-6/2012	293,996.90
Hong Kong Information Technology Federation	Hong Kong ICT Awards 2012 [Best Lifestyle Award]	11/2011-6/2012	395,000.00
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	2011 Guangdong-Hong Kong RFID Technology Application Summit	9/2011	100,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Software Industry Association	Hong Kong ICT Awards 2012 [Best Collaboration Award]	11/2011-6/2012	303,038.20
	2012 The 16th International Soft China — International Forum and Hong Kong Pavilion	5-6/2012	841,687.00
Hong Kong Wireless Technology Industry Association	Hong Kong ICT Awards 2012 [Best Ubiquitous Networking Award]	11/2011-6/2012	381,550.00
Internet Professional Association	Data.One Campaign	11/2011-4/2012	696,080.00
	Hong Kong ICT Awards 2012 [Best Innovation & Research Award]	11/2011-6/2012	507,427.53
Internet Society Hong Kong	Ipv6 in Action! (Thematic website, seminars, exhibitions, radio programmes, pamphlets, consumer guide, and so on)	10/2011-10/2012	995,000.00
Po Leung Kuk	ICT training programme for the elderly	1-8/2012	287,333.00
The Hong Kong Institution of Engineers — IT Division	Hong Kong ICT Awards 2012 [Best Public Service Application Award]	11/2011-6/2012	223,694.53
<i>2012-2013</i>			
Chinese YMCA of Hong Kong	The "iCity" project (Survey, visits, talks, competition and television programme)	12/2012-7/2014	500,000.00
Green ICT Consortium	Hong Kong ICT Awards 2013 [Best Green ICT Award]	11/2012-6/2013	234,921.20

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Computer Society	Hong Kong ICT Awards 2013 [Best Business Award]	11/2012-6/2013	297,500.00
	Organizing Asia Pacific ICT Alliance (APICTA) Awards 2012 Delegation	12/2012	81,914.40
Hong Kong Council of Social Service	Hong Kong ICT Awards 2013 [Best Digital Inclusion Award]	11/2012-6/2013	297,500.00
Hong Kong Digital Entertainment Association	Hong Kong ICT Awards 2013 [Best Digital Entertainment Award]	11/2012-6/2013	297,494.00
Hong Kong Information Technology Federation	Hong Kong ICT Awards 2013 [Best Lifestyle Award]	11/2012-6/2013	282,966.60
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	2012 Guangdong-Hong Kong IoT Technology Application Summit	8/2012	100,000.00
Hong Kong Society for the Aged	Smart Elderly Awards	12/2012-4/2013	800,000.00
Hong Kong Software Industry Association	Hong Kong ICT Awards 2013 [Best Collaboration Award]	11/2012-6/2013	288,462.40
Hong Kong Wireless Technology Industry Association	Hong Kong ICT Awards 2013 [Best Mobile Apps Award]	11/2012-6/2013	271,399.82
Information and Software Industry Association	Hong Kong ICT Awards 2013 [Best SME ICT Award]	11/2012-6/2013	269,500.00
Internet Professional Association	Hong Kong ICT Awards 2013 [Best Innovation & Research Award]	11/2012-6/2013	270,826.50

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
The Hong Kong Institution of Engineers — IT Division	Hong Kong ICT Awards 2013 [Best Public Service Application Award]	11/2012-6/2013	221,675.00
<i>2013-2014</i>			
Centre for Innovation and Technology, The Chinese University of Hong Kong	IT Exploration Tours for Secondary Students during the International IT Fest 2014 (Visits)	4/2014	101,520.00
Communication Association of Hong Kong	Hong Kong ICT Awards 2014 [Best Green ICT Award]	11/2013-6/2014	121,250.00
Evangelical Lutheran Church Social Service — Hong Kong	ICT Outreach Programme for the Elderly	3-12/2014	112,500.00
Hong Kong Blind Union	Development of digital inclusion mobile application (Searching & Exploring with Speech Augmented Map Information)	4/2013-3/2014	353,700.00
Hong Kong Computer Society	Hong Kong ICT Awards 2014 [Best Business Solution Award]	11/2013-6/2014	121,250.00
Hong Kong Council of Social Service	Hong Kong ICT Awards 2014 [Best Digital Inclusion Award]	11/2013-6/2014	121,250.00
	2013-2014 Sector-specific Programme for Logistics Sector	12/2013-12/2014	228,000.00
Hong Kong Digital Entertainment Association	Hong Kong ICT Awards 2014 [Best Digital Entertainment Award]	11/2013-6/2014	121,250.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Information Technology Federation	Hong Kong ICT Awards 2014 [Best Lifestyle Award]	11/2013-6/2014	121,250.00
Hong Kong Lutheran Social Service	Development of digital inclusion mobile application ("Learn smart" teaching material publishing platform)	4/2013-3/2014	160,200.00
Hong Kong New Emerging Technology Education Association	Hong Kong ICT Awards 2014 [Best Student Invention Award]	11/2013-6/2014	121,120.00
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	2013 Guangdong-Hong Kong IoT Technology Application Summit	9/2013	100,000.00
Hong Kong Sheng Kung Hui Welfare Council	ICT Outreach Programme for the Elderly	3-12/2014	125,000.00
Hong Kong Society for the Aged	Smart Elderly IT Star Awards	12/2013-8/2014	660,000.00
	Development of digital inclusion mobile application (eElderly Activity Search)	4/2013-3/2014	339,300.00
Hong Kong Wireless Technology Industry Association	Hong Kong ICT Awards 2014 [Best Mobile Apps Award]	11/2013-6/2014	121,250.00
	SafeWiFi Campaign 2013 (Survey, seminar and website)	12/2013-7/2014	100,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Information and Software Industry Association	Hong Kong ICT Awards 2014 [Best SME ICT Award]	11/2013-6/2014	121,250.00
Internet Society Hong Kong	Hong Kong ICT Awards 2014 [Best ICT Startup Award]	11/2013-6/2014	121,250.00
Po Leung Kuk	ICT Outreach Programme for the Elderly	3-12/2014	221,980.00
SAHK	Development of digital inclusion mobile application (Stories for Social Skills Made Easy)	4/2013-3/2014	189,000.00
The Hong Kong Association for Computer Education	IT Exploration Tours for Secondary Students during the International IT Fest 2014 (Visits)	4/2014	100,000.00
The Hong Kong Federation of Handicapped Youth	Development of digital inclusion mobile application (Barrier-Free Travel Guide)	4/2013-3/2014	256,500.00
The Hong Kong Institution of Engineers — IT Division	Hong Kong ICT Awards 2014 [Best Innovation Award]	11/2013-6/2014	112,500.00
The Hong Kong Society for Rehabilitation	2013-2014 Sector-specific Programme for Land Transport Sector	12/2013-12/2014	500,000.00
The Hong Kong Society for the Deaf	Development of digital inclusion mobile application (Auditory and Speech Training App)	4/2013-3/2014	194,400.00
Yang Memorial Methodist Social Service	Development of digital inclusion mobile application (Hong Kong Easy)	4/2013-3/2014	304,200.00

Number of Projects Sponsored by  
the Office of the Government Chief Information Officer  
from 2009-2010 to 2013-2014  
(Breakdown by Organization)

<i>Organization</i>	<i>Number of Projects</i>
Aberdeen Kai-Fong Welfare Association Social Service Centre	1
Asbury Methodist Social Service	1
British Computer Society (Hong Kong Section)	3
Caritas Hong Kong	1
Centre for Innovation and Technology, The Chinese University of Hong Kong	1
Chamber of Security Industry	1
Chinese YMCA of Hong Kong	1
Christian Action	1
Communication Association of Hong Kong	2
CPMS Social Center for the Elderly of Grace	1
District Cyber Centres Alliance	1
DotAsia Organisation Limited	1
Evangelical Lutheran Church Social Service — Hong Kong	2
Friends of Scouting Organization	1
Green ICT Consortium	4
GS1 Hong Kong	4
Holy Carpenter Church Community Centre	1
Hong Kong Blind Union	1
Hong Kong Chapter of Association for Computing Machinery	1
Hong Kong Children and Youth Services	1
Hong Kong Computer Society	10
Hong Kong Council of Social Service	10
Hong Kong Cyberport Management Company Limited	2
Hong Kong Digital Entertainment Association	5
Hong Kong Employment Development Service Limited	1
Hong Kong Family Welfare Society	1
Hong Kong Federation of Youth Groups	1

<i>Organization</i>	<i>Number of Projects</i>
Hong Kong Information Technology Federation	6
Hong Kong Information Technology Joint Council	1
Hong Kong Lutheran Social Service	1
Hong Kong New Emerging Technology Education Association	1
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Ltd	5
Hong Kong Retail Technology Industry Association	1
Hong Kong Sheng Kung Hui Welfare Council	1
Hong Kong Society for the Aged	4
Hong Kong Software Industry Association	8
Hong Kong Trade Development Council	2
Hong Kong United Youth Science and Technology Association	1
Hong Kong Wireless Technology Industry Association	10
Hong Kong Youth Cultural & Arts Foundation Ltd	1
Information and Software Industry Association	2
Internet Professional Association	10
Internet Society Hong Kong	2
Manufacturing Enterprise Integration and Innovation Association Ltd	1
Po Leung Kuk	2
SAHK	1
Salvation Army	1
Senior Citizen Home Safety Association	1
St. James' Settlement	1
The Hong Kong Association for Computer Education	1
The Hong Kong Federation of Handicapped Youth	1
The Hong Kong Institution of Engineers — IT Division	5
The Hong Kong Society for Rehabilitation	1
The Hong Kong Society for the Deaf	1
Tung Wah Group of Hospitals	1
Yang Memorial Methodist Social Service	1
YMCA of Hong Kong	1

Projects Sponsored by the Innovation and Technology Commission  
(General Support Programme of the Innovation and Technology Fund)  
from 2009-2010 to 2013-2014

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
There is no such sponsorship in 2009-2010 and 2010-2011.			
<i>2011-2012</i>			
Hong Kong Information Technology Joint Council Limited	"Shenzhen Hong Kong Innovation & Technology Exchange Programme (Exchange activities and conferences)"	7/2011-9/2012	582,365.00
<i>2012-2013</i>			
Hong Kong Computer Society	Asia Pacific Information & Communications Technology Awards 2013 (APICTA 2013)	10/2012-12/2013	1,600,000.00
<i>2013-2014</i>			
Hong Kong Computer Society	Cloud Computing Success Stories Showcase (Seminars, workshops, video showcase of success stories)	7/2013-3/2014	790,000.00

Number of Projects Sponsored by the Innovation and Technology Commission  
(General Support Programme of the Innovation and Technology Fund)  
from 2009-2010 to 2013-2014  
(Breakdown by Organization)

<i>Organization</i>	<i>Number of Projects</i>
Hong Kong Computer Society	2
Hong Kong Information Technology Joint Council Limited	1

## Annex C

Projects Sponsored by the Hong Kong Cyberport Management Company Limited  
from 2009-2010 to 2013-2014

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
<i>2009-2010</i>			
CUHK Center for Entrepreneurship	Roundtable on Entrepreneurship Education Asia 2009	10/2009	46,910.00
Hong Kong Information Technology Joint Council	Hong Kong/Shenzhen IT SME Survey Report Result Presentation Summit	12/2009	41,100.00
	Creative Industry Development Forum	2/2010	100,000.00
Hong Kong Wireless Development Centre	WiFi Wireless LAN Services and Application in Hong Kong Press Conference and Jiangmen 3G Application Industrial Base MoU Signing Ceremony	7/2009	60,100.00
Hong Kong Wireless Technology Industry Association	Digital Media Marketing Conference 2009	9/2009	83,600.00
Internet Professional Association	Cloud Computing Luncheon Seminar and Signing Ceremony	7/2009	14,680.00
Internet Society Hong Kong	Media Literacy Forum	5/2009	54,940.00
	Asia Pacific Network Information Centre Training	6/2009	45,800.00
	Asia Pacific Network Information Centre Ipv6 Advanced Training in Hong Kong	11/2009	49,740.00
	Ipv6 Conference	11/2009	100,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Project Management Institute Hong Kong Chapter	International Project Management Forum 2009	10/2009	100,000.00
The Hong Kong Association for Computer Education	IT Challenge Award 2008-2009 Prize Presentation Ceremony	5/2009	58,650.00
The Hong Kong Council of Social Service Information Technology Resource Centre	Information Technology Resource Centre Forum 2009	11/2009	71,038.00
<i>2010-2011</i>			
DotAsia Organisation Limited	Internet Governance Forum Asia Pacific 2010	6/2010	100,000.00
	Asia Pacific Regional Internet Conference on Operational Technologies and the Asia Pacific Advanced Network 2011	2/2011	100,000.00
Hong Kong Information Technology Joint Council	The 2nd Shenzhen/Hong Kong Alliance of Science and Technology Annual Meeting cum 1st Shenzhen/Hong Kong Technology Co-operation Summit	1/2011	100,000.00
Hong Kong Internet Registration Corporation Limited	2010 Digital Marketplace Seminar: Business Success for SMEs on the Net	7/2010	62,000.00
Hong Kong Wireless Development Centre	Creative Mobile Advertising Forum and Press Conference	3/2011	89,650.00
Hong Kong Wireless Technology Industry Association	Digital Media Marketing Conference 2010	11/2010	92,600.00
	1st Hong Kong International Mobile Film Awards Final Judging	3/2011	12,950.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
The Hong Kong Association for Computer Education	IT Challenge Award 2009-2010 Prize Presentation Ceremony	5/2010	65,620.00
The Hong Kong Council of Social Service Information Technology Resource Centre	Information Technology Resource Centre Forum 2010	12/2010	100,000.00
<i>2011-2012</i>			
Green ICT Consortium	Green ICT Forum	5/2011	45,385.00
Hong Kong Internet Registration Corporation Limited	2011 Digital Marketplace Seminar — "e-Solutions to Hedge against Inflation"	7/2011	100,000.00
Hong Kong Wireless Technology Industry Association	2011 Hong Kong Marketing Smartphone apps Popularity Contest — Seminar and Award Presentation	8/2011	68,290.00
	Digital Media Marketing Conference 2011	12/2011	67,000.00
Internet Society Hong Kong	After World Ipv6 Day, What's Next Seminar	9/2011	21,250.00
	World Internet Developers' Summit 2012	3/2012	80,422.00
Project Management Institute Hong Kong Chapter	Project Management Institute HK Asia Pacific Regional Project Management Forum 2011	9/2011	94,760.00
The Hong Kong Association for Computer Education	IT Challenge Award 2010-2011 Prize Presentation Ceremony	5/2011	60,500.00
The Hong Kong Council of Social Service Information Technology Resource Centre	Information Technology Resource Centre Forum 2011	12/2011	69,100.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
<i>2012-2013</i>			
Asia Cloud Computing Association	Asia Cloud Computing Association Executive Roundtable Meeting	5/2012	26,950.00
E-Learning Consortium	Education 2.9 Conference: "Next Step in e-Learning Revolution"	2/2013	27,130.00
Hong Kong Computer Society	Outstanding IT Achiever Awards 2012 Presentation Ceremony	6/2012	100,000.00
Hong Kong Innovative Technology and Education Association	Hong Kong International Science Fair 2012	10/2012	71,760.00
Hong Kong Internet Registration Corporation Limited	"2012 Digital Marketplace — Creating New Online Business Frontiers" Seminar	8/2012	100,000.00
Hong Kong Public Key Infrastructure Forum	Asia PKI Innovation Award Winner's Presentation;  Asia PKI Consortium 2012 Special Steering Committee Meeting and Mobile Security Working Group Meeting	9/2012	48,150.00
Hong Kong Wireless Technology Industry Association	Mobile Business Summit 2012 — Mobile Finance in the New Era	12/2012	79,500.00
	Asia Smartphone Apps Contest Final Judging	3/2013	91,499.30
	Asia Smartphone Apps Summit cum Award Ceremony		
	Asia Smartphone Apps Contest Winners Experience Sharing Session		

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Internet Society Hong Kong	"Building Trust in Cloud Computing" Summit 2012 and Inauguration of Cloud Security Alliance Hong Kong & Macau Chapter	5/2012	78,286.00
	World Ipv6 Launch x Ipv6 in Action x Ipv6World: Asia (Conference)	6/2012	80,100.00
	DNSSEC.Asia Summit 2012 and Workshop	8/2012	49,441.00
	SecureHongKong 2012 — Mitigating Against Emerging Threats (Conference)	12/2012	21,450.00
	"Protecting Security & Privacy on the Cloud" Forum	3/2013	14,348.00
Project Management Institute Hong Kong Chapter	Project Management Institute HK Asia Pacific Project Management Congress 2012	11/2012	100,000.00
The Hong Kong Association for Computer Education	IT Challenge Award 2011-2012 Prize Presentation Ceremony	5/2012	50,440.00
<i>2013-2014</i>			
Chinese YMCA of Hong Kong	iCity Interschool Debate Championships Finals and Closing Ceremony	12/2013	16,570.00
E-Learning Consortium	Education 2.12 Conference — "e-Learning in Hong Kong"	2/2014	30,400.00
HKUST NIE Social Media Lab	Social Media, Big Data and Cloud: Trends and Issues in Asia — Student Competition	10/2013	33,590.00
Hong Kong Association of Interactive Marketing	Greater China Digital Advertising Creativity Forum	8/2013	75,600.00
Hong Kong Computer Society	MoDev Hong Kong 2013 Conference	4/2013	71,343.00
	Asia-Pacific ICT Alliance Awards EXCO Meeting	8/2013	34,250.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Hong Kong Internet Registration Corporation Limited	2013 Digital Marketplace Seminar — Online Opportunities for "Start-Ups"	8/2013	100,000.00
Hong Kong Public Key Infrastructure Forum	2013 Asia PKI Consortium General Assembly/Steering Committee Meetings	1/2014	40,645.00
Hong Kong Wireless Technology Industry Association	Start Up Series #Aug — Leo To @ Nuthon IT Solutions Limited;  Start Up Series #Sept — Keith Li @ Innopage Limited;  Start Up Series #Oct — Keith Rumjahn @ Coachbase" (Seminar)	8-10/2013	27,284.00
	Mobile Business Summit 2013: Transforming Retail by Mobile Technology	12/2013	81,900.00
International Information Systems Security Certification Consortium	SecureHongKong 2013 (Conference)	11/2013	59,210.00
Internet Society Hong Kong	World Internet Developer Summit 2013	6/2013	100,000.00
	"Ipv6 Case Study in Hong Kong" Seminar and goIPv6 Service Launching Ceremony	7/2013	27,608.00
	"Internet of Things: From Vision to Reality" Conference	9/2013	32,690.00
	Are you ready for Ipv6? (Conference)	3/2014	33,924.80
	World Internet Developer Summit 2014	3/2014	100,000.00

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>	<i>Sponsored Amount (HKD)</i>
Project Management Institute Hong Kong Chapter	Project Management Institute HK Asia Pacific Project Management Congress 2013	11/2013	100,000.00
The Hong Kong Association for Computer Education	IT Challenge Award 2012-2013 Prize Presentation Ceremony	5/2013	46,700.00

Note:

Sponsorship is provided in the form of cash reimbursement of actual expenses, including free venue, accommodation at Le Meridien Cyberport, transportation services and food and beverage for the activity, and services rendered by the Technology Centre of Cyberport.

Number of Projects Sponsored by the Hong Kong Cyberport Management Company Limited from 2009-2010 to 2013-2014  
(Breakdown by Organization)

<i>Organization</i>	<i>Number of Projects</i>
Asia Cloud Computing Association	1
Chinese YMCA of Hong Kong	1
CUHK Center for Entrepreneurship	1
DotAsia Organisation Limited	2
E-Learning Consortium	2
Green ICT Consortium	1
HKUST NIE Social Media Lab	1
Hong Kong Association of Interactive Marketing	1
Hong Kong Computer Society	3
Hong Kong Information Technology Joint Council	3
Hong Kong Innovative Technology and Education Association	1
Hong Kong Internet Registration Corporation Limited	4
Hong Kong Public Key Infrastructure Forum	2
Hong Kong Wireless Development Centre	2
Hong Kong Wireless Technology Industry Association	9

<i>Organization</i>	<i>Number of Projects</i>
International Information Systems Security Certification Consortium	1
Internet Professional Association	1
Internet Society Hong Kong	16
Project Management Institute Hong Kong Chapter	4
The Hong Kong Association for Computer Education	5
The Hong Kong Council of Social Service Information Technology Resource Centre	3

## Annex D

Projects Sponsored by the Hong Kong Science and Technology Parks Corporation from 2009-2010 to 2013-2014

(Sponsorship: Provision of venue free of charge)

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>
<i>2009-2010</i>		
Innovation and Technology Commission	InnoCarnival 2009 (Seminar, exhibition and workshop)	11/2009
The Hong Kong Federation of Youth Groups (HKFYG)	Hong Kong Student Science Project Competition 2009	5/2009
	Young Scientist Summer Camp 2009	7/2009
	HKFYG — Forensic Science Talk	1/2010
	Hong Kong Student Science Project Competition (Sharing session with advisors)	1/2010
	Hong Kong FLL cum Jr. FLL Robotics Tournament (Student competition)	2/2010
<i>2010-2011</i>		
Hong Kong Linux Industry Association	The Development and Application of Supercomputer (Seminar)	10/2010

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>
Innovation and Technology Commission	InnoCarnival 2010 (Briefing and meeting)	7-12/2010
	7th Meeting of the Guangdong/Hong Kong Expert Group on Co-operation in Innovation & Technology	8/2010
	InnoTech Month Pre-event promotion (Interview)	10/2010
	InnoCarnival 2010 (Seminar, exhibition and workshop)	11/2010
	New Impetus to the Economy — Development of Innovation & Technology and Testing & Certification Industry (Conference)	2/2011
	Seminar on Development of Innovation & Technology and Testing & Certification as New Pillar Industries in Hong Kong	2/2011
	Internet Professional Association	Pan-Pearl River Delta Region Amway University IT Project Competition
The Hong Kong Federation of Youth Groups	Hong Kong Student Science Project Competition 2010	5-6/2010
	Forensic Science Day Camp	6-8/2010
	Forensic Science Talk	7/2010
	LEAD Creativity Showcase 2010	7/2010
	The Young Scientist Summer Camp	7-8/2010
	2010 Hong Kong Green Mech Contest Training Workshop	10/2010
	Hong Kong Student Science Project Competition 2011 (Briefing and training session)	12/2010-1/2011
<i>2011-2012</i>		
Hong Kong Council for Testing and Certification	Seminar on Construction Materials Product Certification	11/2011
Hong Kong Productivity Council and Hong Kong Trade Development Council	HKICT Award 2012: Best Innovation & Research Award Ceremony cum Exposition	2/2012

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>
Hong Kong Technology Education Association	Hong Kong Tech Challenge 2011 (Student competition)	1/2012
Innovation and Technology Commission	InnoCarnival 2011: Contractor Briefing	7/2011
	InnoCarnival 2011 (Seminar, exhibition and workshop)	10-11/2011
Internet Professional Association	2011 Amway Pan-Pearl River Delta Region Universities IT Project Competition (Hong Kong Region)	6/2011
	Hong Kong ICT Awards 2012: Best Innovation & Research Award cum Exposition	2/2012
Shatin District Council	Summer Camp for IT Prefect	7/2011
The Chinese University of Hong Kong	Opportunity Conference 2011	7/2011
	Plenary Discussion for Asian Engineering Deans' Meeting	1/2012
The Hong Kong Federation of Youth Groups	Hong Kong Student Science Project Competition 2011	5-6/2011
	HKFYG Centre for Creative Science and Technology Forensic Summer Programme — Forensic Talk 2011	7/2011
	HKFYG Centre for Creative Science and Technology Forensic Summer Programme — Forensic Day Camp 2011	8/2011
	2011 Hong Kong Green Mech Contest (Student competition)	10-12/2011
<i>2012-2013</i>		
Cyber Senior Network Development Association	We Digit Fun (Training)	6/2012
Hong Kong Computer Society	Asia Pacific Information and Communication Technology Alliance Award 2013 (Competition)	10/2012-12/2013
Hong Kong Council for Testing and Certification	Seminar on Chinese Medicines	9/2012
Hong Kong Information Technology Joint Council	“深港創新圈”創新科技交流計劃 <sup>(1)</sup> (Conference)	10/2012

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>
Innovation and Technology Commission	InnoCarnival 2012 (Seminar, exhibition and workshop)	10/2012
Shak Chung Shan Memorial Catholic Primary School	2012 Digital Art Drawing Competition for Primary Schools	4/2012
The Chinese University of Hong Kong	Opportunity Conference 2012	7/2012
	Hong Kong Tech Challenge Game 2012 (Student competition)	11/2012
The Hong Kong Federation of Youth Groups	Hong Kong Student Science Project Competition 2012	5-6/2012
	Forensic Summer Programme — Forensic Talk and Day Camp 2012	6-7/2012
	2012 Hong Kong Green Mech Contest — Briefing and Workshop	10-12/2012
	Odyssey of the Mind Programme 2012/13 — Briefing Session	10/2012
	InnoCarnival 2012 — Volunteer Training	10/2012
	InnoCarnival 2012 — Workshops	11/2012
	Odyssey of the Mind Programme 2012/13 — Workshop	1/2013
	Centre for Creative Science and Technology Science Talk	1/2013
	Centre for Creative Science and Technology Science Activity (Seminar)	2/2013
	Odyssey of the Mind Programme 2012/13 — Workshop	3/2013
	HKFYG Science Workshop	3/2013
<i>2013-2014</i>		
Hong Kong Computer Society	Cloud Computing Success Stories Showcase (Seminar, workshop and showcase)	7/2013-3/2014
Innovation and Technology Commission	InnoCarnival 2013 (Seminar, exhibition and workshop)	10/2013
The Chinese University of Hong Kong	Opportunity Conference 2013	7/2013

<i>Organization</i>	<i>Project (Nature)</i>	<i>Date</i>
The Hong Kong Federation of Youth Groups	HKFYG — Science Workshop (Renewable Energy)	4/2013
	HKFYG — Enrichment Programme (Immunology) (Workshop)	4/2013
	HKFYG — Science Workshop (Mechanics & Civil Engineering)	4/2013
	HKFYG — Science Workshop (Exploration of Renewable Energy and Physics Playground)	4/2013
	HKFYG — Science Workshop (Forensic Science)	4/2013
	Hong Kong Student Science Project Competition 2013	5-6/2013
	HKFYG — Science Workshop (Fingerprint analysis and catapult)	5/2013
	Innovation & Technology Scholarship Award Scheme 2013 Pre-trip Training	5/2013
	HKFYG — Forensic Summer Talk (Forensic Firearm and Tool Mark Identification)	6/2013
	HKFYG — Science Workshop (Magic of Flight)	7/2013
	HKFYG — Science Workshop (Refraction of Light)	7/2013
	HKFYG — Science and Creativity Summer Programme (Workshop)	7/2013
	InnoCarnival 2013 — Workshops (Training session for volunteers)	10/2013
	Hong Kong Odyssey of the Mind Programme (Student programme)	10/2013-5/2014
	InnoCarnival 2013 — Workshops	10-11/2013
	2013/14 Hong Kong Green Mech Contest (Student competition)	11/2013-1/2014
	Hong Kong FLL cum Jr. FLL Robotics Tournament — Workshop 2013/14	12/2013

Note:

(1) Chinese only

Number of Projects Sponsored  
by the Hong Kong Science and Technology Parks Corporation  
from 2009-2010 to 2013-2014  
(Breakdown by Organization)

<i>Organization</i>	<i>Number of Projects</i>
Cyber Senior Network Development Association	1
Hong Kong Computer Society	2
Hong Kong Council for Testing and Certification	2
Hong Kong Information Technology Joint Council	1
Hong Kong Linux Industry Association	1
Hong Kong Productivity Council and Hong Kong Trade Development Council	1
Hong Kong Technology Education Association	1
Innovation and Technology Commission	11
Internet Professional Association	3
Shak Chung Shan Memorial Catholic Primary School	1
Shatin District Council	1
The Chinese University of Hong Kong	5
The Hong Kong Federation of Youth Groups	44

### **Regulation of Charges Levied by Private Hospitals**

14. **MR CHAN KIN-POR** (in Chinese): *President, in 2003, the Department of Health (DH) issued the Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes (the Code), which sets out the standards of good practice for healthcare institutions to adopt. The Code provides that private hospitals must keep a schedule of charges in respect of wards, investigative and treatment procedures and medical supplies, at the admission office and other appropriate places for reference by patients. During its inspections of private hospitals, the DH checks the latter's compliance with the requirements set out in the Code. In this connection, will the Government inform this Council:*

- (1) *of the number of complaints received in the past five years by the DH from members of the public about the charges levied by private hospitals, with a breakdown by type of complaints (such as sudden charge increases, unreasonable charges, failure to provide*

*information on charges to patients beforehand, and so on) and the outcome of investigation; whether the DH has taken any follow-up action against private hospitals for alleged breaches of the relevant requirements in the Code; if it has, of the details; if not, the reasons for that;*

- (2) of the number of inspections of private hospitals conducted by the authorities in each of the past five years, and the number of such inspections in which private hospitals were found to have failed to make available complete information on charges at suitable places for reference by patients in accordance with the Code;*
- (3) given that the Code is not part of the law and hence the DH can only advise or remind private hospitals to provide patients with complete information on charges in accordance with the Code, whether the authorities will consider giving legal effect to the Code and setting penalties for breaches of the Code (such as subjecting private hospitals with serious breaches to revocation of their licences); if they will, of the details; if not, what measures the authorities have in place at present to ensure that private hospitals will provide complete information on charges to their patients;*
- (4) given that the Government requires the private hospitals to be developed on the two reserved sites at Wong Chuk Hang and Tai Po to provide at least 51% of their in-patient bed days taken up in a year for services to local residents through standard beds at packaged charge and to provide the public with comprehensive information on charges, whether the authorities will explore requiring existing private hospitals to abide by the same requirements; if they will, of the details; if not, the justifications for that; and*
- (5) given the recommendations in the Director of Audit's Report No. 59 that the authorities should explore ways to enhance the transparency of charges levied by private hospitals taking into account the good practices adopted locally and overseas (such as requiring private hospitals to ensure that every patient is informed, prior to or upon his admission to the hospital, of the estimated total charges which*

*are likely to be incurred, and enacting laws on the transparency in medical charges), and that the authorities have agreed to the recommendations of the Audit Commission, whether the authorities have commenced studies on the relevant recommendations; if they have, of the progress and the latest findings; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) (the Ordinance), the DH registers private hospitals, nursing homes and maternity homes, subject to their conditions relating to accommodation, staffing and equipment. The DH has also promulgated a Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes (COP), which sets out the standards of good practice for compliance by registered healthcare facilities, with a view to enhancing the safety of patients and quality of services. The COP covers requirements on areas including organization and management, accommodation and equipment, patient care, risk management and rights of patients. To ensure that private hospitals, nursing homes and maternity homes comply with the requirements stipulated in the Ordinance and the COP, the DH would conduct inspections of these establishments and investigate sentinel events and complaints.

My reply to the five-part question raised by Mr CHAN is as follows:

- (1) On charges, the COP requires private hospitals to prepare a schedule of charges with respect to room charges, investigative and treatment procedures, medical supplies, medicines and any charges that will be levied. The schedule of charges should be made available for reference by patients at the admission office, cashier and wherever appropriate. When there is a change in the charges, the schedule must be updated and published for general information before the new charges take effect. Hospitals are also required to inform patients of any applicable charges as soon as practicable.

When inspecting a private hospital, the DH would check whether the hospital has provided and displayed the schedule of charges, and explained to patients admitted to the hospital the procedures of charging, and so on, according to the requirements of the COP.

The DH has also reminded private hospitals to take the initiative in providing patients with detailed information on charges so as to enhance price transparency. If a private hospital is found to have violated the requirements on charges as stipulated in the COP, the DH will issue regulatory letters to the private hospital concerned asking them to make improvements.

In the past five years (from 2009 to 2013), the DH received a total of 43 complaints about the charges of private hospitals, which can be categorized into three types. The first type, involving 20 cases, was related to disagreements to the service charges. None of these cases were found to be in contravention of the COP upon investigation. The second type, involving 15 cases, was about patients not being informed of the charges in advance. After investigation, two of these cases were further followed up by the DH which has subsequently requested the private hospitals concerned to make improvements in order to comply with the requirements of the COP. The third type, involving eight cases, was related to other complaints about fees and charges (for examples, complaints about the bills and the level of charges). After investigation, one of these cases was further followed up by the DH which has subsequently requested the private hospital concerned to make improvements in order to comply with the requirements of the COP.

- (2) In the past five years (from 2009 to 2013), the DH conducted a total of 537 inspections of private hospitals (including maternity homes). The number of inspections conducted in each of the five years was 75, 96, 134, 106 and 126 respectively. For the above 537 inspections, none of the private hospitals concerned were found to have contravened the requirement of the COP in making available information on charges at suitable places.

(3) and (5)

The Food and Health Bureau set up a Steering Committee on Review of the Regulation of Private Healthcare Facilities (Steering Committee) in October 2012. Having examined relevant legislation and regulatory practices of various countries (including the United Kingdom, Australia and Singapore), and taking into account the

public aspirations as well as factors and circumstances unique to Hong Kong, the Working Group on Regulation of Private Hospitals under the auspices of the Steering Committee has developed a number of recommendations to improve the corporate governance, clinical quality, price transparency and complaint handling procedures of private hospitals. The recommendations include a substantial increase in penalties, mandatory provision of comprehensive fee schedules by private hospitals, implementation of a price quotation mechanism, publication of historical statistics on bill sizes and offer of service packages for common procedures, and so on.

The Government is now reviewing the findings and recommendations of the working groups under the Steering Committee, and plans to conduct a public consultation exercise in the second half of 2014 on these results and recommendations as well as other proposals relating to the regulation of private healthcare facilities. The Legislative Council Panel on Health Services will be briefed on the results of the review in due course.

- (4) Regarding certain requirements which involve the regulation of service provision and charging mode of private hospitals that have to be implemented by virtue of land grant conditions, the Government will consider including these terms in the land grant document concerned when the grantee applies for lease renewal, lot extension or lease modification to cope with any hospital expansion or redevelopment.

### **Application of Hague Convention on Choice of Court Agreements to Hong Kong**

15. **MR DENNIS KWOK:** *President, the Hague Convention on Choice of Court Agreements (the Convention) was adopted at the 20<sup>th</sup> session of the Hague Conference on 30 June 2005. The Convention aims to assure that when the contracting parties agree on a court to hear a civil or commercial dispute, the agreement and any resulting judgment will be recognized and enforced in any Contracting State to the Convention. The Department of Justice published two consultation papers in 2004 and 2007 respectively to seek comments on the*

*Convention, particularly with regard to the question of whether the Convention should apply to Hong Kong. In this connection, will the Government inform this Council:*

- (1) whether it has decided to seek the application of the Convention to Hong Kong under Article 153 of the Basic Law; if it has, of the views of the interested parties and stakeholders received in the aforesaid consultations; if not, whether it will conduct consultations again before it makes the decision;*
- (2) whether it has assessed what effects the application of the Convention to Hong Kong will have on the Judiciary in respect of its workload, manpower and court facilities, and particularly, the potential impact on the civil and commercial lists; if it has, of the findings and details; if not, the reasons for that;*
- (3) whether it has explored to what extent Hong Kong could, upon the application of the Convention to it, encourage more contracting parties to choose this jurisdiction as the seat for the resolution of international civil or commercial disputes, and bring about potential development opportunities for the legal profession; if it has, of the detailed findings; if not, the reasons for that; and*
- (4) given that the Minister for Law of Singapore stated during a recent Parliamentary sitting that Singapore was studying the feasibility of acceding to the Convention, and in the light of the proposed establishment of an International Commercial Court in Singapore, whether it has explored the adoption of appropriate measures and reform proposals, apart from seeking the application of the Convention to Hong Kong, to maintain and enhance Hong Kong's status as an international dispute resolution centre in the Asia Pacific region?*

**SECRETARY FOR JUSTICE:** President, the Convention was adopted in 2005. So far, it was only acceded to by Mexico in 2007 and signed by United States of America and the European Union in 2009. The Convention has not yet entered into force.

Our replies to each of the four parts of the question are as follows:

(1) and (2)

The public consultation exercise by the Hong Kong Special Administrative Region (HKSAR) Government in relation to the Convention was first conducted in 2004 (on the basis of the draft Convention) and again in 2007 (on the basis of the adopted Convention). It invited views and comments on a number of issues in relation to the Convention, including the question of whether the Convention should be applied to Hong Kong. On this question, the HKSAR Government received mixed views during these consultation exercises. While some respondents (such as the Judiciary and the Law Society of Hong Kong) were generally in favour of the application of the Convention to Hong Kong, others including the Hong Kong Bar Association (HKBA) have expressed reservation on such application due to concerns such as the provision in Article 3(b) of the Convention that deems choice of court agreements designating courts of a State or specific courts of a State to be exclusive, which in the opinion of the HKBA is "somewhat unfair". The HKBA also considered Article 4(1) of the Convention would require Hong Kong courts to enforce a foreign judgment granting remedies not conventionally granted under the laws of the HKSAR.

The question of whether the Convention should be applied to the HKSAR is not a simple one. One has to carefully consider the pros and cons as well as the consequential implications of applying or not applying the Convention to Hong Kong. The HKSAR Government has not yet come to a conclusion as to whether the Convention should be applied to the HKSAR, but will keep the issue in view from time to time. When considering whether the Convention should be applied to the HKSAR, we will no doubt take into account all relevant considerations including the comments received during the previous consultation exercises, the implications of such application to the existing laws of the HKSAR and our Judiciary (such as its workload, manpower and facilities), and the number of jurisdictions to which the Convention is applied. If necessary, further consultation will be conducted with the relevant stakeholders on issues of their concern.

- (3) The international legal regime to be established by the Convention aims to provide certainty and ensure the effectiveness of choice of courts agreements between parties to commercial transactions. It would govern the recognition and enforcement of judgments resulting from proceedings based on such agreements. If the Convention is to be applied to the HKSAR, it may have the effect of attracting more business parties to choose the HKSAR to resolve commercial disputes by way of litigation.

The efficacy and attractiveness of the Convention regime, however, would be subject to a number of relevant factors, including the number of jurisdictions to which the Convention is applied, the extent to which business parties would choose litigation to resolve international or cross-border commercial disputes rather than using alternative dispute resolution methods such as arbitration and mediation and, if the parties choose litigation, the extent to which they would adopt a choice of court agreement in their contracts, as well as the extent of specific matters that may be excluded from application of the Convention by state parties as permitted under Article 21 of the Convention.

As stated in parts (1) and (2) of the reply above, the Convention has so far been acceded to by Mexico and signed by United States of America and European Union only. The impact of the Convention, which has not yet entered into force, on the behaviour of business parties in respect of international or cross-border commercial disputes is not yet certain. Although the Convention is yet to be applied to the HKSAR, thus far the impact (if any) on the HKSAR's competitiveness as a centre for international and dispute resolution services in the Asia Pacific region is very limited. Nevertheless, we will of course continue to keep a close eye on the latest development at the international level and the responses of other jurisdictions in relation to the Convention.

- (4) The HKSAR Government has been making every possible effort to consolidate and enhance the status of the HKSAR as a centre for international legal and dispute resolution services in the Asia Pacific Region, and will continue to do so. We will step up our promotional efforts, improve the legal framework for arbitration and mediation, and work closely together with all the relevant stakeholders.

Amongst others, the Department of Justice will pursue the following initiatives to facilitate the further development and growth of international legal and dispute resolution services in Hong Kong:

- (i) launching a consultancy study on the development of arbitration in Hong Kong;
- (ii) enhancing the promotion of international legal and dispute resolution services of Hong Kong in emerging economies in the Asia Pacific region (through local and overseas seminars as well as other appropriate activities);
- (iii) establishing an advisory committee to advise on the development and promotion of Hong Kong as an international arbitration centre in the Asia Pacific region;
- (iv) continuing the promotion of mediation through the Steering Committee on Mediation;
- (v) facilitating the establishment and growth of additional world class law-related or dispute resolution organizations in Hong Kong; and
- (vi) taking up the former French Mission Building upon the relocation of the Court of Final Appeal from there and providing space in the Building for use by legal and dispute resolution institutions, on top of the allocation of office space to them in the West Wing of the former Central Government Offices.

In addition, we will continue to keep a close eye on the latest development at the international level and the initiatives taken by other jurisdictions (including Singapore, as mentioned in the question) as well as to take appropriate measures as and when necessary, so as to ensure that our regime stays at the forefront of international development and enhance our status as a leading hub for international legal and dispute resolution services in the Asia Pacific region.

## **Public Mental Health Services**

16. **DR CHIANG LAI-WAN** (in Chinese): *President, in 2012-2013, the public hospitals and psychiatric specialist out-patient clinics (SOPCs) of the Hospital Authority (HA) provided treatment and support services to more than 195 000 persons with mental health problems. As at 31 March 2013, there were 334 doctors (including psychiatrists) in the psychiatric service departments of the HA, and the doctor-to-patient ratio was 1 to 583. There are views that the ratio reflects a serious manpower shortage of psychiatrists. Regarding public mental health services, will the Government inform this Council:*

- (1) *whether it knows the respective numbers of serving psychiatrists and vacancies of psychiatrists in the HA, as well as the changes in the number and percentage in the manpower of psychiatrists in each of the past 10 years, with a tabulated breakdown by rank and hospital cluster; whether the HA has any plan to fill the aforesaid vacancies and provide additional resources for the training of psychiatrists; if the HA has, of the details; if not, the reasons for that;*
- (2) *whether it knows the number of psychiatric patients seeking medical treatment from public hospitals or SOPCs in each of the past 10 years, with a tabulated breakdown by year, type of services (in-patient services, out-patient services and day services) and hospital cluster;*
- (3) *whether it knows the criteria adopted by SOPCs for determining the seriousness and urgency (that is, priority 1, priority 2 and routine category) of psychiatric cases;*
- (4) *whether it knows the number of cases, in each of the past five years, in which the mental patients no longer needed further treatment after treatment;*
- (5) *of the procedures adopted by the authorities for following up the reports made by members of the public on nuisances caused by persons suspected to be mental patients or by persons with erratic behaviours; and the measures in place to prevent such persons from*

*causing further nuisances to others when they refuse to receive treatment or follow-up services;*

- (6) whether it knows if the HA's psychiatric community outreach services have taken the initiative to reach out for suspected mental patients and provide them with suitable services at the earliest opportunity; if they have, of the details; if not, the reasons for that;*
- (7) whether it has studied the feasibility of introducing a registration system for clinical psychologists and counsellors, with a view to enhancing the professional services provided to people suffering from emotional problems and reducing their prospect of developing mental illnesses; if it has, of the details; if not, the reasons for that; and*
- (8) given that recently, there have been several homicide cases allegedly committed by persons suspected to be suffering from seizures of mental illness (for example, cases of shooting in Kai Ching Estate, a mother hacking her daughter to death at Wing Cheong Estate, and a chair falling from height in Mong Kok causing the death of a pedestrian), whether the authorities will conduct a comprehensive review on the services currently available to psychiatric patients (including interventions and rehabilitation treatments), and expedite the study on the need and feasibility of introducing community treatment orders for protection of public safety; if they will, of the details; if not, the reasons for that?*

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

- (1) The HA adopts an integrated approach in providing a wide range of mental health services, including in-patient, out-patient, day hospital and community psychiatric services, through multi-disciplinary teams comprising psychiatrists, clinical psychologists, occupational therapists, psychiatric nurses, community psychiatric nurses and medical social workers, and so on.

With a growing and ageing population, there is an increasing demand for front-line public healthcare services, including mental health services. The HA will increase healthcare manpower where necessary to meet service demand. At present, there are 337 psychiatrists under the HA. The turnover rate of full-time psychiatric doctors ranged from 2% to 5% in the past five years. The HA will continue to closely monitor the manpower situation and make the necessary planning and deployment arrangements to cope with service demand.

Over the years, the HA has put in place a number of measures to enhance training for doctors, such as enhancing simulation training, funding doctors to receive overseas training as well as sponsoring overseas doctors to provide training in local hospitals. The HA will continue to implement such measures to improve its service quality.

- (2) The number of patients receiving various types of psychiatric services provided by the HA in the past five years (2009-2010 to 2013-2014) is set out in the Annex.
- (3) The psychiatric SOPCs under the HA adopt a triage system for handling new cases to ensure that patients with urgent healthcare needs are attended to within reasonable time. Under the triage system, SOPCs will arrange medical appointments for new patients based on the urgency of their clinical conditions, which is determined with regard to the patients' clinical history and presenting symptoms. The triage system groups patients into priority 1 (urgent), priority 2 (semi-urgent) and routine categories. The target of the HA is to maintain the median waiting time for cases in the priority 1 and priority 2 categories within two weeks and eight weeks respectively. In 2013-2014, the median waiting time for the first appointment of priority 1 and priority 2 cases at psychiatric SOPCs was around one week and four weeks respectively.
- (4) The HA does not have the figures and information requested in part (4) of the question.

(5) and (6)

Any member of the public who discovers any person with suspected mental health problems in the community may, with the consent of the person concerned, seek help from the Integrated Community Centres for Mental Wellness (ICCMWs) of the Social Welfare Department in the various districts. The ICCMWs will provide appropriate community support for the person concerned, including referring him to the psychiatric services of the HA in different hospital clusters.

Besides, according to section 31 of the Mental Health Ordinance (Cap. 136), an application may be made by the HA to a District Judge or Magistrate for detention of a patient who is suffering from mental disorder of a nature or degree which warrants his detention in a mental hospital for at least a limited period for observation, in the interests of the patient's own health or safety or with a view to the protection of other persons.

Patients who are recovering from severe mental illness and living in the community are provided with intensive, continuous and personalized support under the Case Management Programme of the HA. For patients assessed to be at high risk, including those with propensity to violence or record of severe criminal violence, the crisis intervention teams of the HA will provide them with special outreach service and timely intervention including referrals to appropriate treatment.

The HA has also established a 24-hour psychiatric hotline — Mental Health Direct — to support patients with mental illness and their carers. The hotline is operated by professional psychiatric nurses who will provide support to patients, their carers and other stakeholders on mental health issues.

(7) To ensure public health and protect members of the public against health hazards due to improper or substandard healthcare services, the Government has in the past enacted different legislation to

regulate the relevant healthcare personnel and institutions, the sale of drugs, undesirable medical advertisements as well as unfair trade practices. Moreover, the Department of Health has promulgated various guidelines and codes of practice and put in place monitoring and reporting system, market assessment, risk monitoring and reporting measures to monitor different areas of healthcare services. Healthcare disciplines currently not subject to statutory regulation are also regulated by the relevant legislation.

The Food and Health Bureau is conducting a strategic review on healthcare manpower planning and professional development which covers the direction for future development of healthcare professions. We will take this opportunity to consider whether regulation of healthcare professions currently not subject to statutory registration requirements should be enhanced in one form or another.

- (8) To ensure that our mental health regime can rise up to the challenges of a growing and ageing population, the Food and Health Bureau has embarked on a review of the existing mental health policy and services through the setting up of a Review Committee on Mental Health in May 2013, with a view to mapping out the future development of mental health services in Hong Kong. The review committee will also consider necessary changes to the Mental Health Ordinance, including the need and feasibility of introducing community treatment order in Hong Kong having regard to overseas experiences and local circumstances. It should be noted that the introduction of community treatment order in other jurisdictions had aroused much controversy in local community. Due to its complexity in operation, the involvement of such issues as patients' rights and human rights, and that the efficacy of community treatment order remains to be proved by scientific evidence, the review committee needs to carefully study and balance all relevant considerations before making objective recommendations that suit local circumstances.

## Annex

The following table sets out the number of patients receiving various types of psychiatric services provided by the HA in the past five years (2009-2010 to 2013-2014):

	<i>Number of psychiatric in-patients</i>	<i>Number of psychiatric out-patients</i>	<i>Number of patients at psychiatric day hospitals</i>
<i>2009-2010 (as at 31 March 2010)</i>			
Hong Kong East Cluster	2 038	15 979	307
Hong Kong West Cluster	635	13 393	426
Kowloon Central Cluster	2 283	13 412	196
Kowloon East Cluster	613	21 476	695
Kowloon West Cluster	3 163	45 416	1 747
New Territories East Cluster	3 267	28 148	1 272
New Territories West Cluster	2 618	26 423	860
Total	14 264	161 822	5 493
<i>2010-2011 (as at 31 March 2011)</i>			
Hong Kong East Cluster	1 894	16 779	272
Hong Kong West Cluster	601	14 974	541
Kowloon Central Cluster	2 343	13 675	199
Kowloon East Cluster	639	23 158	681
Kowloon West Cluster	3 222	48 433	2 119
New Territories East Cluster	3 024	30 295	1 464
New Territories West Cluster	2 655	28 035	910
Total	14 033	172 791	6 180
<i>2011-2012 (as at 31 March 2012)</i>			
Hong Kong East Cluster	1 824	17 243	220
Hong Kong West Cluster	653	15 789	672
Kowloon Central Cluster	2 321	14 387	214
Kowloon East Cluster	681	24 843	777
Kowloon West Cluster	3 359	51 646	2 311
New Territories East Cluster	3 162	31 772	1 705
New Territories West Cluster	2 600	29 935	728
Total	14 252	183 070	6 617

	<i>Number of psychiatric in-patients</i>	<i>Number of psychiatric out-patients</i>	<i>Number of patients at psychiatric day hospitals</i>
<i>2012-2013 (as at 31 March 2013)</i>			
Hong Kong East Cluster	1 867	17 708	307
Hong Kong West Cluster	719	16 685	797
Kowloon Central Cluster	2 629	14 652	230
Kowloon East Cluster	673	26 705	872
Kowloon West Cluster	3 494	54 671	2 472
New Territories East Cluster	3 236	34 095	1 744
New Territories West Cluster	2 648	31 888	814
Total	14 911	193 818	7 229
<i>2013-2014 (as at 31 March 2014)</i>			
Hong Kong East Cluster	1 935	18 686	324
Hong Kong West Cluster	766	17 567	793
Kowloon Central Cluster	2 725	14 992	204
Kowloon East Cluster	634	28 256	1 028
Kowloon West Cluster	3 593	57 690	2 596
New Territories East Cluster	3 399	36 354	1 676
New Territories West Cluster	2 546	33 014	754
Total	15 209	203 945	7 368

### **Fetal Morphology Scans Conducted in Public Hospitals**

17. **MR TANG KA-PIU** (in Chinese): *President, I have received a complaint alleging that while the result of the fetal morphology scan (ultrasound scan) conducted for a pregnant woman at the Prince of Wales Hospital showed no abnormal prenatal development, the woman subsequently gave birth to a baby suffering from arthrogryposis multiplex congenita (AMC) and cleft palate. After lodging a complaint with the Hospital Authority (HA), the woman was told that the ultrasound scan was conducted for her by a Mainland doctor participating in medical exchange at the public hospital. As the hospital did not maintain records of ultrasound images, there was no way to tell if there had been any mistake involved in the scan. In this connection, will the Government inform this Council whether it knows:*

- (1) *in the past three years, the number of cases in which the ultrasound scans conducted at public hospitals detected possible (and later confirmed) cases of AMC (with a breakdown by the gestational age of the pregnant woman when the ultrasound scan was conducted) and the number of newborn babies diagnosed with the illness;*
- (2) *if the HA has formulated guidelines on the procedures for conducting ultrasound scans by doctors as well as the qualifications required of the doctors conducting the scan; if so, of the details of the guidelines, the basis of their formulation and the last revision date, as well as how the HA monitors compliance by doctors with such guidelines; if not, the reasons for that and whether it will consider drawing up such guidelines;*
- (3) *if the HA has put in place measures to ensure that healthcare personnel clearly explain the purposes and restrictions of ultrasound scans to pregnant women, and to ensure that the latter understand the contents of the explanations; if so, of the details; if not, the reasons for that and whether it will consider drawing up such measures;*
- (4) *if the HA has set up a mechanism to review the accuracy of the diagnoses made using ultrasound scans; if so, of the details; if not, whether it will set up such a mechanism; and*
- (5) *if the HA has set up a mechanism to handle complaints about the antenatal checks conducted by midwives and Mainland doctors participating in medical exchange; if so, of the details; if not, the reasons for that?*

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

- (1) Arthrogyrosis multiplex congenital (AMC) is an extremely rare disease. According to a large-scale research in Europe, the incidence rate of this disease is less than 0.01%. The abnormalities arising from AMC may aggravate as gestation advances. As there is no standard gestational age for the onset of this disease, diagnosis for the majority of cases can only be confirmed after the birth of the babies.

The HA has not maintained statistics on the number of cases of AMC.

(2), (3) and (4)

The Government attaches great importance to providing appropriate and comprehensive prenatal service for pregnant women. The Maternal and Child Health Centres of the Department of Health and the obstetrics departments of the HA provide a comprehensive prenatal shared-care programme for pregnant women during the entire pregnancy and delivery process. The first prenatal check-up includes checking of personal and family medical history, physical and gynaecological examination, urinalysis for glycosuria and proteinuria and blood test. Depending on the conditions and wishes of the pregnant women, the healthcare personnel will, where necessary, arrange specific tests including the ultrasound scan, blood sugar and oral glycemia tolerance test, amniocentesis, chorionic villus sampling and umbilical cord blood sampling.

The regular prenatal check-up items in public hospitals do not include ultrasound scan. If there is special clinical need, the attending doctor will arrange an ultrasound scan for the pregnant woman between her 18th and 22nd weeks of pregnancy. An ultrasound scan usually checks the foetus' size, heart rate, the fundamental structure and the position of the placenta, and so on. Although some abnormalities of the foetus can be detected by the ultrasound scan, not all abnormalities can be identified. Some research conducted in Europe indicated that about half of the abnormalities cannot be detected accurately before the 24th week of pregnancy.

The training and examinations concerning ultrasound scans for pregnant women are managed by a working group set up by the departments of obstetrics and gynaecology under the HA. Only after undergoing a series of systematic training and passing the written and practical examinations can an obstetrician and gynaecologist or midwife conduct the ultrasound scan.

In general, all pregnant women will be given a set of information leaflets before the ultrasound scan is performed. Based on such information, the healthcare personnel will explain the uses and limitations of the scan and other points to note. After the scan, the healthcare personnel will explain the results to the pregnant woman and answer her enquiries. Obstetricians and gynaecologists will arrange re-examinations or further checking for the pregnant women according to their clinical needs on a case-by-case basis. The departments of obstetrics and gynaecology will also monitor cases of ultrasound scan regularly to ensure the quality of service.

- (5) The HA has put in place a two-tier complaint mechanism for handling public complaints against its services (including the prenatal check-up service for pregnant women).

In the first tier, all complaints will first be handled by the respective public hospitals. Upon receipt of a complaint case, the Patients Relations Officer will pass it to the department concerned for follow-up and examination. The complainant will be informed of the results after investigation. If he/she is not satisfied with the investigation results or the reply of the hospital, he/she may file an appeal to the HA's Public Complaints Committee (PCC) via the second tier of the complaint mechanism. As a committee under the HA comprising members from different sectors of the community, the PCC will handle and adjudicate all appeals against the HA in an independent, fair and impartial manner.

### **Aviation Services in Hong Kong**

18. **MR WU CHI-WAI** (in Chinese): *President, regarding the flight paths and runway capacity of the Hong Kong International Airport (HKIA), as well as the management of the Pearl River Delta (PRD) airspace, will the Government inform this Council:*

- (1) *when considering the introduction of new flight paths for aircraft arrivals and departures, what constraints (other than the considerations of noise nuisances to nearby residents arising from aircraft using such flight paths and the terrain constraints) faced by*

*the authorities, and whether they have explored solutions to such constraints; whether they have assessed by how much the runway capacity of the HKIA will increase as a result of the introduction of new flight paths; if they have assessed, of the findings; and*

- (2) *as it has been reported that under the current management arrangements of the PRD airspace, aircraft approaching or departing from Hong Kong must enter and leave Hong Kong's airspace at a height of over 15 000 ft, and such height limit has restricted the runway capacity of the HKIA, whether the Civil Aviation Department (CAD) will discuss with the authorities of the Mainland and Macao, through the tripartite working group established with the Civil Aviation Administration of China and the Macao Civil Aviation Authority, the relaxation or even abolition of such a height limit; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, our reply to the various parts of Mr WU Chi-wai's question is as follows:

- (1) In accordance with the international standards and recommendations promulgated by the International Civil Aviation Organization (ICAO), in addition to terrain environment and environmental factors such as noise, the development of flight paths should take into account the runway alignment, aircraft operating criteria (for example, the flying speed), the prescribed obstacle clearances, location of navigation aids, airspace co-ordination with nearby airports, and so on.

The existing arrival and departure flight paths of the HKIA were developed after giving careful considerations to all relevant factors. In the light of the new navigational specifications promulgated by the ICAO, the CAD formulated a new set of flight procedures last year, under which aircraft meeting the relevant navigational specifications may use a new arrival flight path via West Lamma Channel since December 2013, thereby obviating the need to overfly populated areas.

Runway capacity of an airport is affected by a host of factors, including the standard separation between aircraft, the peripheral airspace, the terrain and the operating environment, the aircraft mix at HKIA and the airport's infrastructure. To prepare for the Hong Kong International Airport Master Plan 2030, the Airport Authority Hong Kong commissioned the National Air Traffic Services (NATS), an aviation consultancy in the United Kingdom, to conduct a study on the runway capacity of the HKIA. The study was completed in 2008. Based on the ICAO's standards, the NATS had carefully analysed factors including the surrounding terrain, the operating environment, the infrastructure and the airspace of the HKIA, and concluded that the practical maximum capacity of the two runways of the HKIA was 68 movements per hour. The conclusion was endorsed by the CAD.

Over the years, through continuously making improvements to the flight procedures and operations, optimizing airspace structure, increasing the manpower of air traffic controllers and upgrading infrastructural facilities at the airfield, the CAD has gradually increased the runway capacity of the two runways of the HKIA in accordance with air traffic demand, from 50 movements per hour in 2004 to the current 65 per hour. The CAD will continue to further increase the capacity of the two runways to their practical maximum capacity of 68 movements per hour in 2015.

- (2) To ensure that aircraft in adjacent airspaces could operate in a safe and efficient manner, an aircraft must reach a certain altitude before an air traffic control (ATC) unit may hand over the control in respect of that aircraft to another ATC unit. This arrangement for air traffic management seeks to ensure flight safety, and is commonly applied across boundaries between other busy airspaces. This arrangement has no direct relationship with the space separation between runway movements, and hence does not affect runway capacity.

Given the close proximity between the HKIA and its Shenzhen counterpart and the fact that the two airports are respectively managed by the two air traffic management units in Hong Kong and the Mainland, an aircraft departing from the HKIA must reach the

designated handover altitude of 15 700 ft before it can enter the Mainland's airspace. This designated altitude requirement is also applicable to aircraft flying from the Mainland into Hong Kong's airspace. After liaison with the Mainland's ATC unit, the two sides have since 2005 lowered the handover altitude from 15 700 ft to 12 800 ft during specified non-peak hours at night (that is, from 11 pm to 7 am the following day), thereby minimizing detours by aircraft.

In 2004, the CAD, the Civil Aviation Administration of China and the Civil Aviation Authority of Macao set up the PRD Region Air Traffic Management Planning and Implementation Supervisory Group (hereinafter referred as "the Tripartite Working Group") to discuss ways to rationalize the use of airspace and air traffic management in the PRD Region. After deliberations by the Tripartite Working Group, a comprehensive plan has been devised to rationalize airspace design and planning, and air traffic management in the PRD Region, including the establishment of additional handover points, the optimization of the relevant flight procedures, flight paths and provision of systems, restructure of the airspace, gradual standardization of air traffic management standards, and so on. Through the Tripartite Working Group, the CAD will continue to explore with the ATC authorities in the Mainland to further rationalize the airspace management in the PRD Region, including the arrangement for air traffic management mentioned above.

### **Appointments of Board Members and Transfers of Senior Staff Members of Airport Authority Hong Kong and HKTDC**

19. **MR PAUL TSE** (in Chinese): *President, the Government announced in October last year that the Chairman of the Airport Authority Hong Kong (AA) had agreed to extend his service for one year from 1 June 2014. However, the Government announced on the 30th of last month that (i) for personal reasons, the Chairman concerned would not extend his service (hereinafter referred as "the former Chairman"), (ii) the incumbent Chairman of the Hong Kong Trade Development Council (TDC) would take up appointment as Chairman of the AA from 1 June 2015 (the Chairman-designate"), (iii) during the one-year interim*

*period, an incumbent AA board member (who had just resigned from the office of Chairman of the Infrastructural Planning Committee of the AA) would take up appointment as Chairman of the AA (the interim Chairman), and (iv) a person who had resigned from his office of Member of the Executive Council (ExCo) as well as three other persons were appointed as new AA board members. In addition, the incumbent Executive Director of the TDC, who has served the TDC for a decade, has tendered his resignation from the TDC and will take up the post of Chief Executive Officer (CEO) of the AA. On the other hand, it has been reported that the aforesaid personnel changes stemmed from the disputes which happened earlier between the former Chairman and the interim Chairman over the planning of the North Commercial District (NCD) of the Hong Kong International Airport (HKIA), including whether or not to convert the underground Automatic People Mover depot (the underground depot) concerned into a commercial centre to tie in with the development of the third runway at HKIA, and so on. Regarding the appointments of board members and transfers of senior staff members of the AA and the TDC, will the Government inform this Council:*

- (1) whether it knows if the interim Chairman has any plan to overturn the decision made by the AA Board that there is no need to relocate the underground depot; as there are comments that the proposed third runway at HKIA will be the airport runway with the highest construction costs in the world, whether it has assessed if the relocation of the underground depot to tie in with the NCD development will further increase such construction costs, and whether the relocation is the option which best serves the public interest; if it has assessed, of the outcome; if the outcome is that the proposal will increase the construction costs, of the estimated increase in the construction costs of the third runway;*
- (2) as there are comments that the Chairman-designate does not have any experience in airport management, why the Government would rather make such a complicated arrangement of appointing an interim Chairman in order to facilitate the Chairman-designate to head the AA one year later, and whether it had, from the perspective of public interest, considered other candidates with experience in airport management; if it had, of the details; if not, the reasons for that;*

- (3) *as there are views that given the AA is in charge of the important aviation infrastructure projects and the development of the aviation industry of Hong Kong, while the TDC is responsible for promotion of Hong Kong's external trade, and yet the appointments of the board chairmen/members of the AA and the TDC as well as transfers of their senior staff members are akin to "political appointments of a private-club-style", of the measures that the Government will take to convince the public that the appointments of the AA board members (including the appointments of the interim Chairman and the Chairman-designate, as well as the appointment of a person who had resigned from the office of the ExCo Member as an AA board member), as well as the coming transfers of the TDC's Chairman and Executive Director to the AA, are based on public interest and objective appointment criteria, instead of mere political considerations; and*
- (4) *as the Government has indicated that it has appointed the interim Chairman as the Chairman of the AA because of its trust in his ability, why he was appointed to the position only on a temporary basis for one year and he was not allowed to continue to assume the position one year after; as the Government trusts that the Chairman-designate is a capable person and is willing to make a complicated arrangement to facilitate him to head the AA one year later, why it had not retained him to continue to serve the TDC to promote Hong Kong's external trade; given that the incumbent Executive Director of the TDC will also change his job to serve as the CEO of the AA following the Chairman-designate's upcoming change of his appointment to the AA, whether the Government has assessed, from the viewpoints of the two institutions' operations and public interests, if the complicated arrangements that the top two persons-in-charge of the TDC will leave the TDC one after another to take up appointments with AA while the term of office of the current interim Chairman of the AA only lasts for one year will give rise to confusion and waste of manpower; how the Government explains to the public that the aforesaid series of personnel arrangements were made out of practical needs and not political consideration, and such arrangements will not obstruct the operations of the AA and the TDC?*

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

- (1) The Board of the AA has set the goals and direction of the planning work on the Three-Runway System (3RS) Project and the NCD. Management of the AA is now actively taking forward all the necessary planning work.

The planning work (including the environmental impact assessment (EIA) and relevant design details) of the 3RS has entered the final stage and the location of the underground depot has been stated in the EIA Report. After receiving the notification from the Environmental Protection Department on 12 June 2014 that the AA's EIA Report meets the requirements of the EIA Study Brief and the Technical Memorandum on the EIA Process, the AA released the EIA Report for public inspection for 30 days on 20 June 2014.

The AA is currently reviewing and updating cost estimates of the 3RS Project. The review is expected to be completed within 2014.

- (2), (3) and (4)

The Airport Authority Ordinance provides that the Chairman and Board members of the AA shall be appointed by the Chief Executive, and the appointment of the CEO of the AA shall be approved by Chief Executive. The Government appoints non-official members of advisory and statutory bodies based on merits, taking into account the needs of the bodies concerned. In the process of making an appointment, the Government will take into account different factors, such as the abilities, expertise and experience of the appointees; the functions and nature of work of the bodies concerned; and the need to maintain effective operation or work continuity of the bodies.

In October 2013, the Government announced the extension of appointment of Dr Marvin CHEUNG Kin-tung as the Chairman of the AA for one year with effect from 1 June 2014. However, for personal reasons, Dr CHEUNG subsequently decided to retire. The Chief Executive appointed Mr Jack SO Chak-kwong to succeed as

Chairman of the AA. Due to his other work commitments, Mr Jack SO can only assume office on 1 June 2015 the earliest. Pending arrival of Mr Jack SO, Mr Vincent LO Hong-sui who is an incumbent Board member, was appointed as Chairman of the AA for the period from 1 June 2014 to 31 May 2015. Both Mr Jack SO and Mr Vincent LO have rich experience in public service. The Government considers that, under the leadership of Mr SO and Mr LO, the AA will continue to spearhead the long-term development of the HKIA, including the 3RS and the NCD, as well as to strengthen HKIA's status as an international and regional aviation hub.

The Chief Executive has also appointed four new Board members. With rich experience in their respective fields, they will be able to offer useful and professional views for the development of the AA.

The Board of the AA set up a Selection Committee last year to carry out global recruitment of the next CEO. During the past six months, the Selection Committee considered a number of potential candidates and interviewed candidates from Hong Kong, Britain, the Middle East, Australia and Southeast Asia. The Committee considered Mr Fred LAM Tin-fuk the most suitable candidate as the next CEO of the AA and recommended his appointment to the Board of the AA. The recommendation was unanimously endorsed by the Board at the Board meeting held on 17 June 2014 and was subsequently approved by the Chief Executive. Mr Fred LAM has rich administration and management experience of large-size organization. With proven leadership skills and strategic vision, Mr LAM has built up extensive connections with local and overseas business communities, and also with a wide spectrum of stakeholders. He will continue to lead the AA to enhance airport services and take forward various development projects of strategic importance.

Given that both the AA and the TDC have robust governance structure, the professionalism and continuity of their management teams will not be affected by individual instances of personnel change.

**Formulation of Emission Reduction Targets by Setting a Cap on Total Greenhouse Gas Emissions**

20. **MR FREDERICK FUNG** (in Chinese): *President, to prepare for the United Nations Climate Change Conference to be held in Lima, Peru in December this year, representatives from many countries commenced the United Nations climate change negotiations in Bonn, Germany early this month. It has been reported that the Environmental Protection Agency of the United States, whose greenhouse gas emissions are the second highest in the world, has proposed the Clean Power Plan aiming to reduce carbon dioxide emissions by 30% nationwide from the 2005 levels by 2030. China's representatives have also undertaken that China will make active contributions to advancing the negotiations. For instance, China is considering setting a target of the cap on the greenhouse gas emissions for the first time in 2016, and including this target in the next five-year plan which will commence in 2016. This initiative is different from the past practice of setting the carbon intensity targets according to the gross domestic products. In this connection, will the Government inform this Council:*

- (1) *whether it has looked into and grasped the latest policy direction of the Mainland authorities for setting a cap on greenhouse gas emissions; whether it has assessed the impact of the aforesaid new initiative adopted by the Mainland authorities on Hong Kong's control of greenhouse gas emissions; and*
- (2) *given that Hong Kong currently follows the Mainland authorities' practice of setting the carbon intensity target in formulating its emission reduction target (that is, to reduce carbon intensity by 50% to 60% by 2020 from the 2005 level), whether the Government will follow the Mainland authorities' new initiative and formulate emission reduction targets by setting a cap on the total greenhouse gas emissions; if it will, of the timetable; if not, the reasons for that?*

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): *President, our reply to the questions raised by Mr Frederick FUNG is as follows:*

- (1) and (2)

We have been keeping in contact with the National Development and Reform Commission (NDRC) to understand the development in

national initiatives on combating climate change. Contacts were effected through mutual visits, attending climate change conferences of the United Nations as member of the China delegation, attending working meetings on preparation of the Hong Kong Chapter of the National Communication on Climate Change report for submission to the United Nations by the Central People's Government, and so on. According to our understanding, China will continue the endeavour to achieve the carbon intensity reduction target announced in 2009, that is, to reduce energy-related carbon dioxide emissions produced per unit of national income by 40% to 45% by 2020 as compared with the 2005 level.

The HKSAR Government attaches importance on work on combating climate change. We completed the public consultation on Hong Kong's Climate Change Strategy and Action Agenda in end 2010, and submitted the consultation report to the Legislative Council's Panel on Environmental Affairs on 28 April this year which also reported on progress of measures in the action agenda to achieve the carbon intensity reduction target of 50% to 60% by 2020 as compared with the 2005 level. We will continue to implement measures set out in the climate change strategy and action agenda, and take actions to reduce greenhouse gas emissions with a focus on the major local emission sources in order to achieve the 2020 carbon intensity reduction target.

### **Conduct of "Popvote" on 22 June 2014**

21. **DR LAM TAI-FAI** (in Chinese): *President, on the 10th of this month, the State Council published the White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region" (the White Paper). It is clearly stated in the White Paper that "the central government is sincerely in favour of moving Hong Kong's democratic governance forward" and this is the "solemn commitment of the central government", but "the system of universal suffrage for selecting the chief executive and forming the Legislative Council must serve the country's sovereignty, security and development interests" and "the chief executive to be elected by universal suffrage must be a person who loves the country and Hong Kong". On the other hand, initiators of the action to occupy the Central District (Occupy Central) scheduled the "Popvote" to be*

conducted on the 22nd of this month (622 Popvote), through which members of the public would choose a proposal for selecting the Chief Executive by universal suffrage in 2017, and Occupy Central will strive for the implementation of that proposal. Some members from the pan-democratic camp and initiators of Occupy Central have indicated that the White Paper was published to target at the 622 Popvote and the 1 July march this year. In this connection, will the Government inform this Council:

- (1) *whether it has assessed the respective impacts of the entire event of the 622 Popvote and its voting results on advancing constitutional development; if it has, of the details; if not, the reasons for that;*
- (2) *whether it has assessed the impact of the White Paper on the 622 Popvote; if it has, of the details; if not, the reasons for that;*
- (3) *whether it has assessed how the Central Government look at the 622 Popvote; if it has, of the details; if not, the reasons for that;*
- (4) *whether it has identified any foreign forces participating in the organization of the 622 Popvote;*
- (5) *whether it will make reference to the proposal scoring the highest number of votes in the 622 Popvote when consolidating the views collected from the public consultation exercise on constitutional development and drawing up constitutional development proposals;*
- (6) *whether it has assessed if the results of the 622 Popvote will stimulate more people to participate in Occupy Central; if the assessment outcome is in the affirmative, of the details and the deployment to be made; if the assessment outcome is in the negative, the justifications for that;*
- (7) *whether it has conducted any assessment on the accuracy of the 622 Popvote's voter turnout figures announced; if it has, of the details; if not, the reasons for that;*
- (8) *whether it has received any complaint lodged by members of the public about the 622 Popvote; if it has, of the details;*

- (9) *of the police manpower deployed for maintaining public order on the day the 622 Popvote was conducted;*
- (10) *whether it has assessed if the organization of the 622 Popvote has breached the law; if the assessment outcome is in the affirmative, of the legal provisions breached;*
- (11) *whether the Government called on the public not to participate in the 622 Popvote; if it did, of the details; if not, the reasons for that;*
- (12) *whether it will formulate policies or measures to prevent activities similar to the 622 Popvote from being conducted again in order to avoid any impact on the constitutional development; if it will, of the details;*
- (13) *whether it will publicize the contents of the White Paper comprehensively to enable the public to judge if the White Paper is published to target at the 622 Popvote; if it will, of the details; if not, the reasons for that; and*
- (14) *whether it has assessed the impacts of the entire event of the 622 Popvote and its voting results on the 1 July march this year; if it has, of the details; if not, the reasons for that?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Chinese): President, in consultation with relevant bureaux, a consolidated reply to the questions raised by Dr LAM is as follows.

The Government of the Hong Kong Special Administrative Region (HKSAR) is aware that a so-called "civil referendum" organized by some groups has started on 20 June 2014. On the same day of 20 June, the Government issued a press release, stressing that "civil referendum" did not exist in the Basic Law and the legislation in the HKSAR, and hence such "voting" had no legal effect.

Regarding Dr LAM's question on the deployment of police force, the police in general do not disclose such information. The police will make appropriate deployment according to the actual circumstances to ensure public order and public safety.

As regards the accuracy of the voter turnout figures of the "referendum", including whether or how participants' identities are verified, we consider that these are matters that should be explained by the organizer.

Since the establishment of the HKSAR, the political structure of Hong Kong has been developing, in the light of the actual situation in the HKSAR and in a gradual and orderly manner, towards the ultimate aim of universal suffrage in accordance with the Basic Law and the relevant Interpretation and Decisions of the Standing Committee of the National People's Congress (NPCSC). Constitutional development is a matter for the HKSAR and it is entirely an internal affair of China. Foreign governments should respect this principle and should not interfere in any way. The HKSAR Government also reiterates this point during briefings on government policies held with representatives of foreign governments. We also note that the spokesperson of the Ministry of Foreign Affairs has expressed the Central People's Government's position on 19 June that "China is consistent in its opposition to outside interference of any kind in Hong Kong's internal affairs."

The HKSAR Government reiterates that any proposal relating to the selection of the Chief Executive in 2017 and the forming of the Legislative Council in 2016 should be, legally, strictly in accordance with the Basic Law and relevant Interpretation and Decisions of the NPCSC; politically, the proposals should stand a reasonable chance of gaining support of the community and securing passage by a two-thirds majority of Members in the Legislative Council; and operationally, the proposals should be practical and practicable. Regarding the "civic nomination" proposal advocated by some groups and people, the HKSAR Government has repeatedly pointed out that according to Article 45 of the Basic Law, the power to nominate Chief Executive candidates is vested in the Nominating Committee (NC) only. We also note that there are many opinions in the community, including those from legal groups and personalities, that "civic nomination" will bypass or undermine the substantive powers of the NC to nominate candidates and hence is, legally, highly controversial. Politically, such

a proposal will unlikely be conducive to forging consensus, and operationally, the feasibility of implementation is also questionable. The Chief Secretary for Administration has mentioned at a meeting with the media earlier on that it was impossible for the HKSAR Government to put forth a proposal that was not in conformity with the Basic Law and relevant Interpretation and Decisions of the NPCSC. On the same occasion, the Secretary for Justice also pointed out that an unlawful matter could not become lawful because of a large number of people "voting", or a large-scale political activity being initiated.

During the five-month consultation on constitutional development, the HKSAR Government has received different views from various organizations and individuals of the community. At present, we are consolidating and analysing the views received during the consultation period, as well as compiling the consultation report, with a view to assisting the Chief Executive to submit a report to the NPCSC to kick-start the "Five-step Process" of constitutional development. We will faithfully reflect the views received during the consultation period in the consultation report.

The HKSAR Government appeals to the community to forge consensus in a rational and pragmatic manner and on the basis of the Basic Law and relevant Interpretation and Decisions of the NPCSC; and in discussing specific proposals, pay due regard to the legal, political and actual operational aspects, with a view to successfully implementing universal suffrage for the Chief Executive Election in 2017 as scheduled and in accordance with the law, so that over 5 million eligible voters could elect the next Chief Executive by "one person, one vote" in 2017.

After the Information Office of the State Council published the White Paper on 10 June, the HKSAR Government issued a press release to encourage the public to read the White Paper in detail for a better understanding of the practice of "one country, two systems" in the HKSAR. At the same time, to facilitate public access to the content of the White Paper through different channels, the Government also uploaded the full text of the White Paper to the Government's e-bulletin, the Basic Law website and the website of the Constitutional and Mainland Affairs Bureau.

The HKSAR Government respects the freedom of speech, of assembly, of procession and of demonstration, and so on, enjoyed by Hong Kong residents in

accordance with the Basic Law. Meanwhile, Article 42 of the Basic Law clearly provides that "Hong Kong residents and other persons in Hong Kong shall have the obligation to abide by the laws in force in the Hong Kong Special Administrative Region". The HKSAR Government stresses that in case of any contravention of the law and breach of public order, law-enforcement agencies will handle such a situation strictly in accordance with the law to ensure that law and order and public peace are maintained in Hong Kong.

### Monitoring of Air Quality

22. **DR KWOK KA-KI** (in Chinese): *President, the Environmental Protection Department (EPD) launched the Air Quality Health Index (AQHI) on 30 December 2013 to provide the public with information on the health risk of air pollution. The EPD updates the AQHI hourly on the basis of the data (including concentrations of pollutants such as ozone, nitrogen dioxide, sulphur dioxide, respirable suspended particulates and fine suspended particulates) recorded by the general monitoring stations and roadside monitoring stations in various districts. During the period between 1 pm to 7 pm on 8 June 2014, the AQHI in Tung Chung persistently stood at 10+, the highest level of the index, with health risk of the "serious" category. During the same period, the AQHIs in most other districts also reached level 10+ in certain intervals. In this connection, will the Government inform this Council:*

- (1) *of the respective cumulative duration of various health risk categories as indicated by the monitoring stations in various districts since 30 December 2013, to be set out in the table below;*

<i>Districts in which monitoring stations are located</i>	<i>Cumulative duration of various health risk categories (hours)</i>				
	<i>Low (AQHI scale: 1-3)</i>	<i>Moderate (AQHI scale: 4-6)</i>	<i>High (AQHI scale: 7)</i>	<i>Very high (AQHI scale: 8-10)</i>	<i>Serious (AQHI scale: 10+)</i>
<i>Central/Western</i>					
<i>Eastern</i>					

<i>Districts in which monitoring stations are located</i>	<i>Cumulative duration of various health risk categories (hours)</i>				
	<i>Low (AQHI scale: 1-3)</i>	<i>Moderate (AQHI scale: 4-6)</i>	<i>High (AQHI scale: 7)</i>	<i>Very high (AQHI scale: 8-10)</i>	<i>Serious (AQHI scale: 10+)</i>
<i>Kwai Chung</i>					
<i>Kwun Tong</i>					
<i>Sha Tin</i>					
<i>Sham Shui Po</i>					
<i>Tai Po</i>					
<i>Tap Mun</i>					
<i>Tsuen Wan</i>					
<i>Tung Chung</i>					
<i>Yuen Long</i>					
<i>Tuen Mun</i>					
<i>Causeway Bay</i>					
<i>Central</i>					
<i>Mong Kok</i>					

- (2) *apart from setting on its website the recommended precautionary actions for members of the public (including people with heart or respiratory illnesses and outdoor workers) to be taken under different AQHIs, whether EPD has taken special measures in districts where, and on any day when, AQHIs of level 7 or above were recorded, in order to protect the health of the public; if EPD has, of the details;*
- (3) *whether various government departments have jointly devised measures to improve the air quality in Hong Kong, particularly Tung Chung and the urban areas, based on the AQHIs recorded by monitoring stations in various districts; if they have, of the details; if not, whether they will assess the effectiveness of introducing the AQHI system;*
- (4) *whether it studied in the past three years the major sources of air pollutants in Hong Kong; if it did, of the details;*

- (5) *whether it studied in the past three years the correlation between direction and speed of wind and the AQHI of level 7 or above recorded in different districts; if it did, of the findings;*
- (6) *whether it has studied the reasons for the relatively high AQHIs recorded in some districts, for example, Tung Chung; whether the authorities, prior to planning the construction of large-scale infrastructural facilities in those districts, have assessed the impacts of such facilities on the air quality of those districts and the neighbouring areas, both during the construction period and after commissioning of such facilities; if they have, of the details; and*
- (7) *whether it will install additional general or roadside monitoring stations at suitable locations to facilitate more comprehensive monitoring of air quality of various districts; if it will, of the details?*

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

- (1) The respective cumulative durations of various health risk categories under the AQHI recorded by the 15 air quality monitoring stations (AQMS) in Hong Kong from 30 December 2013 to 12 June 2014 are set out below:

<i>Monitoring stations</i>	<i>Cumulative duration of various health risk categories (hours)</i>				
	<i>Low (AQHI: 1-3)</i>	<i>Moderate (AQHI: 4-6)</i>	<i>High (AQHI: 7)</i>	<i>Very high (AQHI: 8-10)</i>	<i>Serious (AQHI: 10+)</i>
Central/Western	1 635	2 156	91	69	6
Eastern	1 914	1 963	41	35	4
Kwai Chung	1 592	2 171	100	71	10
Kwun Tong	1 514	2 204	129	82	6
Sha Tin	1 882	1 923	79	55	6
Sham Shui Po	1 402	2 353	96	80	6
Tai Po	1 867	1 984	58	19	0
Tap Mun	1 992	1 800	95	51	0
Tsuen Wan	1 702	2 067	87	72	8
Tung Chung	1 900	1 840	100	89	11
Yuen Long	1 871	1 845	107	90	10
Tuen Mun	1 849	1 875	118	109	7
Causeway Bay*	687	2 736	229	247	28

<i>Monitoring stations</i>	<i>Cumulative duration of various health risk categories (hours)</i>				
	<i>Low (AQHI: 1-3)</i>	<i>Moderate (AQHI: 4-6)</i>	<i>High (AQHI: 7)</i>	<i>Very high (AQHI: 8-10)</i>	<i>Serious (AQHI: 10+)</i>
Central*	819	2 746	175	202	11
Mong Kok*	1 055	2 568	173	133	12

Note:

Reporting of AQHI for each monitoring station may occasionally interrupted because of the accidental breakdown/maintenance of measuring instruments and data collection systems. Thus the sum of the above figures may not correspond to the actual number of hours of the same period.

\* Causeway Bay, Central and Mong Kok stations are roadside AQMS while other monitoring stations are general AQMS.

- (2) The effects of air pollution may vary among different categories of people. This includes those susceptible to air pollution, (that is, people with heart or respiratory illnesses, children and the elderly), outdoor workers and the general public. The AQHI webpage has provided relevant health advice to help different categories of people take precautionary measures as appropriate. In case of special incidents (for example a sandstorm or other causes) when the whole territory or individual district suffers from persistent "serious" air pollution, the EPD will work closely with relevant departments including the Hong Kong Observatory and Department of Health to assess the situation and consider adopting appropriate measures.
- (3) Hong Kong's air pollution is mainly attributed to the issues from regional ozone pollution and local emissions (in particular vehicular emissions). As Hong Kong's area is only about 1 104 sq km, to improve air quality, we must address the regional and local pollution sources at the same time instead of targeting on individual district alone. The Environment Bureau released "A Clean Air Plan for Hong Kong" in March 2013 to outline comprehensively the challenges Hong Kong is facing with regard to air quality and to give an overview of the relevant air quality improvement policies and measures. The key measures include reducing emissions from power plants, adopting an incentive-cum-regulatory approach to phase out pre-Euro IV diesel commercial vehicles, subsidizing franchised bus companies to retrofit Euro II and Euro III buses with selective catalytic reduction devices, using roadside remote sensing

equipment to spot vehicles with excessive emissions, reducing the sulphur content of locally supplied marine light diesel and mandating ocean-going vessels to use cleaner fuel while at berth in Hong Kong waters, and so on. In addition, we have been joining hands with Guangdong Province to implement additional emission reduction measures, which focus on power plants and motor vehicles, to improve the air quality of the Pearl River Delta (PRD) Region.

The AQHI aims to communicate the short-term health risk posed by air pollution to the general public in a simple and timely manner and enables people to have the relevant information for planning their outdoor physical activities. The AQHI can more timely and effectively reflect the health risk of air pollution than the previous Air Pollution Index (API) system.

- (4) The air pollutants in Hong Kong are coming from local sources, the PRD and other areas. According to a study by The Hong Kong University of Science and Technology commissioned by EPD in 2012, about 60% to 70% of the fine suspended particulates measured during wintertime come from sources outside Hong Kong. On the other hand, ozone is mainly a regional smog pollution problem while nitrogen dioxide is mainly formed by photochemical reaction of nitrogen oxides (NO<sub>x</sub>) emitted from local sources with ozone in the air.

As for the air pollutants of Hong Kong, the major sources include public electricity generation, navigation, road transport, and so on. Their emissions in 2012 are set out in the following table:

<i>Pollutant Sources</i>	<i>Sulphur Dioxide</i>	<i>NO<sub>x</sub></i>	<i>Respirable Suspended Particulates</i>	<i>Volatile Organic Compounds</i>
Public Electricity Generation	15 500	32 000	960	442
Road Transport	50	30 700	1 200	7 420
Navigation	16 500	36 500	2 250	3 480
Civil Aviation	325	5 150	58	342
Other Fuel Combustion	190	9 410	723	917
Non-combustion	-	-	939	19 400
Total emission (tonnes)	32 500	114 000	6 130	32 000

(5) and (6)

Days with AQHI levels higher than normal are usually recorded on days with light wind and sunny conditions and under the influence of continental airstream. Ozone is gradually formed under sunlight in the whole region by the photochemical reactions of NO<sub>x</sub> and volatile organic compounds emissions from the upwind source regions. As Tung Chung is near the estuary of the Pearl River, it is therefore more susceptible to regional ozone. Also, when regional ozone occurs, NO<sub>x</sub>, which is mainly emitted from vehicles, will react with ozone in urban areas (especially at roadside), to form nitrogen dioxide, resulting in a higher level of the AQHI.

Prior to planning of infrastructural facilities by the Government, an Environment Impact Assessment study must be conducted for all designated projects under the Environmental Impact Assessment Ordinance to assess their impacts on the environment. One of the assessment criteria is the compliance with the Air Quality Objective stipulated in the Air Pollution Control Ordinance.

(7) At present, the monitoring network in Hong Kong comprises 12 general AQMS and three roadside AQMS. The 12 general AQMS cover the main districts in Hong Kong and reflect the overall air pollution situation in districts with different types of development in Hong Kong. They serve as a reliable basis for developing our air quality management strategy and provide the public with representative air quality information. The three roadside AQMS (that is, Causeway Bay, Central and Mong Kok) are located in the busiest streets of urban areas with very high vehicular and pedestrian flows and surrounded by tall buildings. They reflect adequately the roadside air quality of places with heavy vehicular and pedestrian traffic.

The EPD will review regularly the need for revising the air quality monitoring network, including establishing new AQMS. We are now preparing to set up a general AQMS in Tseung Kwan O which is expected to start operation by the end of 2015.

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

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

(Mr Albert CHAN stood up)

**MR ALBERT CHAN** (in Cantonese): President, please ring the bell. I request a headcount.

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

(While the summoning bell was ringing, Mr WONG Kwok-hing stood up)

**PRESIDENT** (in Cantonese): Mr WONG Kwok-hing, what is your point?

**MR WONG KWOK-HING** (in Cantonese): President, it is already well past 2 pm now. I know you have not had your lunch yet. I empathize with your hardship. President, with this Council being swamped by repeated requests for headcounts, if you cannot persuade the Members concerned not to resort to this tactic, will you consider arranging for lunch and dinner breaks so that both you and other Members can have a meal?

**PRESIDENT** (in Cantonese): I will consider the Honourable Member's suggestions.

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

**SECURITIES AND FUTURES AND COMPANIES LEGISLATION  
(UNCERTIFICATED SECURITIES MARKET AMENDMENT) BILL 2014****SEX DISCRIMINATION (AMENDMENT) BILL 2014****PRIVATE COLUMBARIA BILL**

**CLERK** (in Cantonese): Securities and Futures and Companies Legislation  
(Uncertificated Securities Market Amendment) Bill 2014  
Sex Discrimination (Amendment) Bill 2014  
Private Columbaria Bill.

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

**Second Reading of Bills**

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

**SECURITIES AND FUTURES AND COMPANIES LEGISLATION  
(UNCERTIFICATED SECURITIES MARKET AMENDMENT) BILL 2014**

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, I move the Second Reading of the Securities and Futures and Companies Legislation (Uncertificated Securities Market Amendment) Bill 2014 (the Bill).

The Bill aims to provide a legislative framework for the introduction of an uncertificated securities market regime.

The existing securities market regime in Hong Kong is paper-based. The law requires the issue of paper certificates and the use of paper instruments of transfer for certain securities. In the case of securities that are listed on the Stock Exchange of Hong Kong (SEHK), so long as they stay in the Central Clearing and Settlement System (CCASS), legal title to them remains vested in the Hong Kong Securities Clearing Company Nominees Limited. The investors concerned hold only a beneficial interest in the securities. They are not registered holders and do not hold legal title.

Under the uncertificated securities market regime, investors have the option to hold and transfer securities without paper documents, and register their shares in their own names, thus enjoying the full benefits of legal ownership.

The implementation of an uncertificated securities market regime will bring multifarious benefits:

- By further reducing the use of paper, we can enable straight-through processing and shorten the turnaround time for transactions, thus enhancing overall efficiency of our securities market.
- As far as securities issuers are concerned, by enabling direct ownership, shareholder transparency can be enhanced and corporate communications and corporate action services can be carried out directly and more efficiently. Corporate governance will thus be enhanced.

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

- As for investors, they have the option to hold their securities in uncertificated form and in their own names, thus securing an improved level of investor choice and protection which is not available under the current securities system.
- In addition, the introduction of an uncertificated securities market can facilitate market development and bring Hong Kong on a par with other markets, including Mainland China, Australia, Japan and the United Kingdom.

The implementation of an uncertificated securities market regime will necessitate amendments to mainly the Securities and Futures Ordinance (SFO) and the Companies Ordinance (CO). The regulatory framework for the uncertificated securities market will be set out in those two pieces of principal legislation, while details relating to operational matters and the regulation will be set out in new subsidiary legislation under the SFO. The Securities and Futures Commission will be tasked with the regulation of the uncertificated securities market.

The CO will allow the securities market to be operated without definitely necessitating the use of paper certificates and paper instruments of transfer, while the SFO will provide for the general principles to be adopted for the uncertificated securities market regime, introduce the legislative framework necessary for an uncertificated securities market, and regulate the system operator of the uncertificated securities market system.

The initial phase of the uncertificated securities market regime will only cover shares of companies that are listed or to be listed on the SEHK. Other securities (for example, debentures and unit trusts) listed on the SEHK will be covered at a later stage. It is expected that, before the uncertificated securities market is implemented, there will be a transition period during which the existing paper-based system will continue to operate in parallel with the new uncertificated securities market system.

A public consultation on the proposed operational model for an uncertificated securities market was conducted from December 2009 to March 2010. The vast majority of market respondents supported the initiative. In the course of drafting the Bill, stakeholders were also consulted. In addition, we briefed the Legislative Council Panel on Financial Affairs on the legislative proposal at its meeting on 6 January 2014. Members generally supported the introduction of the Bill.

Deputy President, the implementation of an uncertificated securities regime can enhance overall efficiency of the market, secure an improved level of investor protection and upgrade Hong Kong's competitiveness. I hope the Council will support the expeditious passage of the Bill.

Deputy President, I so submit.

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Securities and Futures and Companies Legislation (Uncertificated Securities Market Amendment) Bill 2014 be read the Second time.

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

**SEX DISCRIMINATION (AMENDMENT) BILL 2014**

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): Deputy President, I move the Second Reading of the Sex Discrimination (Amendment) Bill 2014 (the Bill).

Currently, under section 40(1) of the Sex Discrimination Ordinance (the Ordinance), it is unlawful for a service provider to sexually harass a customer. However, sexual harassment of service providers by customers does not fall within the scope of protection under the Ordinance.

The flourishing service industries in Hong Kong are one of the pillars of the Hong Kong economy. There is a large number of employees in the service industries, for example, there are over 260 000 workers in the retail industry, over 230 000 workers in the food and beverage services industry, over 45 000 nurses and over 12 000 flight attendants.

In order to offer legal protection to employees of the service industries against sexual harassment by customers, the Government proposes to "render unlawful any sexual harassment against providers or prospective providers of goods, facilities or services" through the Bill.

Furthermore, in consideration of the unique job nature and environment on ships and aircraft, and making reference to the practice of other jurisdictions, the Administration has decided to extend the scope of application of the Ordinance in respect of sexual harassment between service providers and customers from cases that take place within the territory of Hong Kong to those that take place on board a Hong Kong registered ship or aircraft while outside Hong Kong. This will afford the same legal protection to these customers and service providers.

President, the Government has earlier consulted the Legislative Council Panel on Constitutional Affairs on the policy direction of the legislative amendments and obtained its support. We have also consulted and obtained support from the Equal Opportunities Commission and relevant labour organizations on the details of this legislative proposal.

I hereby appeal to Members to pass the Bill as early as possible.

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Sex Discrimination (Amendment) Bill 2014 be read the Second time.

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

(Mr Albert CHAN stood up)

**MR ALBERT CHAN** (in Cantonese): Please ring the bell. I request a headcount.

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

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

## **PRIVATE COLUMBARIA BILL**

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): Deputy President, I move the Second Reading of the Private Columbaria Bill (the Bill), which seeks mainly to establish a licensing scheme to regulate columbaria.

The Government has all along been adopting a three-pronged strategy to implement or promote the columbarium policy. Apart from being committed to promoting sustainable burials, including scattering of human ashes in gardens of remembrance or at sea, we also seek to proactively increase the supply of public niches and regulate private columbaria.

The Government has conducted two rounds of public consultation on the columbarium policy and reported to the relevant panels of the Legislative Council on the outcome of the consultation. Public consultation has indicated general support for the regulation of private columbaria through the licensing scheme but different views on the approach for handling existing columbaria not compliant with the prevailing statutory and government requirements. There are views that

strict regulation should be exercised, but quite a number of people warn that the resting place of the deceased should not be upset lightly.

Against the above backdrop, appropriate efforts must be made in implementing the licensing scheme to balance the concerns of the residents, relatives of the deceased and other stakeholders. We hope to adopt a pragmatic approach in handling private columbaria which have long existed but failed to comply with the relevant provisions and requirements.

According to the proposed licensing scheme, no one is allowed to operate a private columbarium in Hong Kong unless he or she is a holder of the licence, exemption or temporary suspension of liability (regulatory instrument). Operating a columbarium without a regulatory instrument is an offence. Improper handling of interred ashes and/or abandoning a columbarium is also an offence. These offences are liable on summary conviction to a maximum fine of \$2 million and to imprisonment for three years, and on conviction on indictment to a maximum fine of \$5 million and to imprisonment for seven years.

Under the Bill, a columbarium is any premises that are used, or intended to be used, for keeping ashes. We propose to set up a statutory licensing authority, the Private Columbaria Licensing Board, with the Director of Food and Environmental Hygiene to be its chairperson and members of the public to be its members. The Food and Environmental Hygiene Department (FEHD) will be its executive arm and enforcement agency.

In connection with the special arrangements made under the Bill for "pre-Bill columbaria", the Government announced at 8 am on 18 June 2014 that the Chief Executive in Council had approved the tabling of a Bill to the Legislative Council and decided that the Bill announcement time be set as the cut-off time for determining the eligibility of columbaria for exemption status of pre-Bill columbarium operation.

Under the Bill, a private columbarium must comply with requirements related to "land" (including land instruments), "planning" and "building", and submit a management plan. Furthermore, the premises used for operation as a private columbarium must be self-owned by the operator. Besides two special arrangements which are applicable to a pre-Bill columbarium, the aforesaid stringent requirements will apply to all private columbaria.

We have noted that some of the existing private columbaria have failed to fully comply with the prevailing statutory and government requirements. A pre-Bill columbarium operator seeking a licence or exemption may apply to the Licensing Board for temporary suspension of liability if he or she needs time to work towards meeting the relevant requirements. The temporary suspension of liability would enable the columbarium to continue operating after the commencement of the Bill, even though a licence or exemption is yet to be granted. During the validity period of the temporary suspension of liability, however, the columbarium concerned could not sell or let out any new or unoccupied niches. Moreover, the malpractice must not deteriorate and all necessary steps must be taken within reasonable limits for compliance with the licence or exemption requirements, such as requirements related to land (including land instruments), town planning and building safety (if applicable).

The Licensing Board will decide on the period of temporary suspension of liability in respect of each columbarium having regard to the special circumstances of each application, but it will be set at no more than three years for the first time, and may be extended for no more than three years upon consideration by the Licensing Board at its discretion. Regarding the views that a six-year period is too lax, I wish to point out that it is reasonable to allow a pre-Bill columbarium which has not fully complied with the statutory and government requirements reasonable time to rectify its non-compliance, in order that it can comply with the status for applying for a licence or exemption. Otherwise, a massive displacement of interred ashes might be triggered, which will upset the resting place of the deceased and result in descendants having to find other places to relocate their ancestors' ashes, thereby causing social discord. Insofar as the first application is concerned, not every such application will be approved and granted three-year temporary suspension of liability. Only in recognized circumstances will individual columbaria be granted an extension at the discretion of the Licensing Board.

Regarding the granting of an exemption for a private columbarium which has long existed, the Bill proposes that it must have:

- (1) commenced columbarium operation before 1 January 1990;
- (2) ceased selling (including letting out) new or unoccupied niches from 8 am on 18 June 2014; and

- (3) complied with other requirements under the Bill (for instance, the operator must have the right to use the premises for at least five years).

Structures defined as unauthorized in the Bill, if any, might only be tolerated subject to certification by qualified professionals to be structurally safe.

There is the view that it is too stringent to use ash interment to define the exemption status for fear that some consumers who have already bought niches but have not used the niche service might not be able to use the service in future. I hope Honourable Members can understand that the exemption of a columbarium which has long existed involves special arrangements, whereby the relevant columbarium may be exempted from full compliance with all statutory and government requirements and continue operation without applying for a licence, and an unauthorized structure, if any, might be tolerated subject to certification by qualified professionals to be structurally safe. This is why it is imperative for us to adopt more stringent criteria to prevent the relevant mechanism from being abused. As it is uncertain as to whether or not the proposals put forward in the Bill will be passed by the Legislative Council, members of the public who have bought the niches but have not yet used the niche service should liaise with the operators to discuss transitional arrangements.

As I mentioned just now, the following special arrangements will be made in two aspects in respect of the application for a licence for a pre-Bill columbarium:

- (1) if the columbarium does not run on self-owned premises, the operator must have the right to use the premises for at least five years; and
- (2) a structure defined as unauthorized under the Bill (if any) may be tolerated subject to certification by qualified professionals to be structurally safe.

Regarding the view that unauthorized private columbaria are being "spared" by the Government, Members must understand the following points:

- (1) in order to qualify for a licence, a private columbarium is required to comply with requirements in the Bill related to "land" (including land instruments), "planning" and "building": Regarding the "planning"

requirement, for instance, a columbarium must comply with all requirements under the Town Planning Ordinance (Cap. 131) before the "planning" requirement can be met. These requirements are not lax;

- (2) if the authorities are not sensitive enough in handling the relevant matters, the community will have to face a massive displacement of interred ashes after the commencement of the Bill. As upsetting the resting place of the deceased will cause social disturbance and discord, we must be pragmatic in handling existing columbaria which have existed before the commencement of the licensing scheme; and
- (3) the Licensing Board may impose conditions where necessary in approving applications for a licence, exemption or temporary suspension of liability to order the holder of a regulatory instrument to take measures and steps to reduce the environmental nuisance caused to people living in the vicinity.

Under a notification scheme rolled out by the FEHD on 18 June 2014, private columbaria are required to submit information to prove their status as "pre-Bill columbaria". The number of participating private columbaria accounts for approximately 85% of the number of columbaria appearing on the list of "private columbaria" announced by the Development Bureau on the same day. Over the past couple of days, the FEHD has been sending its officers to verify with private columbaria which have already submitted such information.

Based on the information collected under the notification scheme, the Licensing Board will, in future, consider and decide whether or not relevant columbaria are "pre-Bill columbaria" and comply with the status for applying for various regulatory instruments (namely licences, exemptions and temporary suspension of liability) applicable to "pre-Bill columbaria" under the Bill.

To enhance consumer protection, the Bill requires a licensee to sign a sale agreement with consumers to provide for specific terms and conditions (such as a detailed description of an interment right for sale, and if a niche is concerned, its dimension and years of period, the rights entailed and fees and charges), and the establishment of a maintenance fund. The Bill provides that the sale agreement must cover some key issues, or else consumers may cancel the agreement and request a refund.

An operator is duty-bound to dispose of the interred niches deposited prior to its closure, or else he or she will be held criminally liable. The Bill has provided for the arrangement for the disposal of ashes upon the termination of operation of a columbarium as well as a major framework for the prescribed ash disposal procedure applicable to the FEHD, columbarium operators, and third party receivers.

Currently, operators of private columbaria must comply with the prevailing land (including land instruments), town planning and building safety requirements. After the commencement of the Bill, other than pre-Bill columbaria to which the two special arrangements are applicable, columbaria not complying with the licensing requirements set out in the Bill (the aforesaid requirements are generally included) will not be granted a licence. Consumers must therefore pay attention to the risk involved and refrain from purchasing private niches rashly to avoid incurring losses should the licence applications made by the relevant columbarium operator fail. I find it unacceptable for operators to promote sale by claiming that they will definitely be granted a licence and the prices of niches will go up when their columbaria have not yet complied with the prevailing requirements, such as the town planning requirements.

Before the commencement of the Bill, members of the public have to pay attention to the following points should they have the need to deposit ashes. First, as it is uncertain whether or not the Bill will be passed by the Legislative Council, and given the varying circumstances of private columbaria, there is no guarantee that any of the private columbaria will definitely be granted a licence. Even if the relevant columbaria are included in part A of the Information on Private Columbaria, there is still no guarantee. Second, even if a licence is granted, the prescribed maximum storage capacity in the licence issued is unpredictable. Therefore, if anyone undertakes that he or she will definitely be granted a licence in future and/or guarantee that his or her arrangement for depositing ashes will not be affected, consumers should be extra careful and, where necessary, seek independent legal advice.

I would like to take this opportunity to remind consumers who have the need to consider purchasing or leasing private niches to obtain comprehensive information from the operators to confirm if the relevant columbaria comply with

the prevailing land (including land instruments), town planning and building safety requirements. Furthermore, they should clarify with the operators about the disposal of deposited ashes, the interests of the affected consumers and relevant arrangements, including whether and how a refund will be made, and whether compensation will be made should the relevant columbaria cease to operate or go into liquidation. In addition, the consumers should pay attention to whether the sale agreements include provisions on the protection of consumer interests, such as information on the financial risks involving lump-sum prepayments. Where necessary, consumers are requested to seek independent legal advice on their own rights and interests.

Furthermore, the Bill does not apply to:

- (1) a columbarium that is built, operated, administered or maintained by the Government, including one in a Government crematorium specified in Part 5 of the Fifth Schedule to the Public Health and Municipal Services Ordinance (Cap. 132);
- (2) an authorized private crematorium in Part 6 of the Fifth Schedule to Cap. 132 to the extent that the keeping of ashes in it is transient and incidental to its operation as a crematorium;
- (3) a columbarium in a private cemetery specified in Part 2 of the Fifth Schedule to Cap. 132, but it will continue to be regulated under the Private Cemeteries Regulation (Cap. 132 BF);
- (4) a columbarium (if any in future) operated by the Board of Management of Chinese Permanent Cemeteries outside private cemeteries specified in Cap. 132, but it will be made subject to regulation under Cap. 132BF;
- (5) undertakers with their licences not prohibiting storage of ashes in their place of business, but they will continue to be regulated under the Undertakers of Burial Regulations (Cap. 132CB). We will impose conditions on their undertakers' licences to regulate their temporary storage of ashes by, for instance, imposing conditions on maximum storage capacity, minimizing environmental nuisances that may be caused to the neighbourhood, and so on. They will also

be subject to the provisions in this Bill on proper handling of interred ashes before ceasing their columbarium operation; and

- (6) the keeping of no more than five containers of ashes (with each container containing the ashes of one person only) on domestic premises.

Lastly, I must point out that the proposed licensing scheme can absolutely not resolve all problems left over from the past once and for all. For instance, we can hardly expect that the consumer protection measures provided for in the Bill carry retrospective effect and are applicable to the sale agreements reached between sellers and buyers of private columbaria prior to the commencement of the Bill. Moreover, we are unable to provide perfectly satisfactory solutions to some thorny situations that might eventually arise. For instance, it is impractical to use public niches to accommodate ashes required to be removed by private columbaria because they are eventually denied a licence or exemption.

A compassionate and rational approach must be taken in handling private columbaria. During the process, the Government has taken the following factors into consideration:

- (1) social interests from a macroscopic perspective, including satisfying the demands of society for private columbaria;
- (2) the feelings of family members of the deceased, particularly their wishes of not upsetting the resting place of the deceased by all means to avoid causing disturbance;
- (3) minimizing the environmental nuisances caused by private columbaria to the neighbourhood; and
- (4) ensuring a sustainable mode of operation in the long run.

Broadly speaking, the Government has spared no efforts in formulating a pragmatic, reasonable and proper regulatory regime to balance different concerns of various stakeholders in an appropriate manner. I hope Honourable Members can support the Bill and complete its scrutiny expeditiously to enable the licensing scheme to be implemented as early as possible.

Meanwhile, the Government will also continue to adopt a three-pronged strategy to implement the columbarium policy. In other words, it will endeavour to increase the supply of public niches, promote sustainable burials, and regulate private columbaria. Thank you, Deputy President.

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

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

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

**DEPUTY PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Inland Revenue (Amendment) Bill 2014.

(Mr Albert CHAN stood up)

**MR ALBERT CHAN** (in Cantonese): Please ring the bell. I request a headcount.

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

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

### **INLAND REVENUE (AMENDMENT) BILL 2014**

#### **Resumption of debate on Second Reading which was moved on 7 May 2014**

**DEPUTY PRESIDENT** (in Cantonese): Mr Kenneth LEUNG, Chairman of the Bills Committee to study the above Bill will address this Council on the report of the Bills Committee.

**MR KENNETH LEUNG:** Deputy President, in my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) Bill 2014, I now address the Council on the work of the Bills Committee.

The Inland Revenue (Amendment) Bill 2014 seeks to amend the Inland Revenue Ordinance to give effect to the proposals concerning tax concessions in the 2014-2015 Budget. These proposals include:

- (1) increasing the dependent parent and grandparent allowances as well as the additional dependent parent and grandparent allowances, from \$38,000 to \$40,000 for each eligible parent or grandparent aged 60 or above, and from \$19,000 to \$20,000 for each eligible parent or grandparent aged between 55 and 59;
- (2) raising the deduction ceiling for elderly residential care expenses under salaries tax and tax under personal assessment from \$76,000 to \$80,000 for each eligible parent or grandparent; and
- (3) reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2013-2014 by 75%, subject to a ceiling of \$10,000 per case.

Deputy President, the Bills Committee has held one meeting with the Administration to scrutinize the Bill, and has invited the public and the District Councils to provide views in writing but has not received any submission.

The Bills Committee supports the Bill. During the deliberations, the Bills Committee has examined the rationales for the tax concession proposals and their financial implications. The Bills Committee notes that the proposed increases in allowances and deduction ceiling aim at alleviating taxpayers' burden in maintaining dependent parents and grandparents, whereas the proposed one-off reduction of salaries tax, tax under personal assessment and profits tax for the year of assessment 2013-2014 is one of the counter-cyclical one-off relief measures in the 2014-2015 Budget. According to the Administration, about 550 000 taxpayers will benefit from the proposed increases in allowances and deduction ceiling, and the revenue forgone is estimated to be about \$300 million a year. As for the proposed one-off tax reduction, about 1.74 million taxpayers and 126 000 tax-paying companies will benefit and the revenue forgone is about \$10.2 billion.

The Bills Committee notes that a married couple receiving employment income may elect to be jointly assessed if the election can reduce their overall tax liability. At the request of the Bills Committee, the Administration has provided information on overseas jurisdictions in respect of their adoption of joint assessment arrangements for taxpayers. The Administration has also provided statistics on the election of joint assessment under salaries tax and on the election of personal assessment in the past three years.

Section 3 of the proposed Schedule 31 to the Inland Revenue Ordinance under clause 7 of the Bill also seeks to provide an additional ground for taxpayers to apply for holding over payment of provisional salaries tax in the year of assessment 2014-2015 if the taxpayer is entitled to a deduction for elderly residential care expenses that is likely to exceed \$76,000 in that year of assessment. In examining this provision, I have suggested to the Administration that instead of enacting similar transitional provisions each time adjustments are made to the deduction items, the Administration should consider introducing a standing provision in the Ordinance to include entitlement to deductions exceeding a certain amount as a ground for application for holding over payment of provisional salaries tax. The Administration, I noted, agrees to give consideration to this suggestion.

The Bills Committee has not proposed Committee stage amendments to the Bill and supports the resumption of the Second Reading debate on the Bill.

Deputy President, I have a few personal suggestions and observations on our internal revenue system. Of course, some of these observations have been briefly mentioned in the above report. I will, though, cover those items in more detail below.

During the deliberations of the Bills Committee, I have also enquired the Administration whether a two-tier profits tax rate is possible, that is, having a standard profits tax rate of 16.5% for the general corporations and a reduced rate of say 10% for the small and medium enterprises (SMEs). How should SMEs be defined? Probably, it will be based on the turnover or chargeable profits of the SME concerned. Unfortunately, and regrettably, the Administration replied that since profits tax is the biggest source of government revenue, such a suggestion would require careful examination.

Taking into regard this factor, the fairness principle, the financial implication to the Government and the susceptibility of such a two-tier profits tax system, thus calling for anti-avoidance provisions which will inevitably complicate the existing simple tax regime, the Administration is quite unwilling to take the suggestion into consideration. The Administration also pointed out that in recent years, only around 90 000 of the some 900 000 registered corporations have to pay profits tax based on their assessable profits, indicating that Hong Kong's tax base is already narrow.

With due respect, I do think that the revenue foregone by adopting a two-tier profits tax system is marginal because, Deputy President, by so doing, we will attract new business and enterprises to set up new businesses in Hong Kong. If the revenue foregone is so marginal, the argument that profits tax is a major source of revenue for Hong Kong should not stand. In fact, Deputy President, by adopting a two-tier profits tax rate, it shows to the business world at large that we are concerned about promoting the competitiveness of our business environment and the competitiveness of our tax system. I do urge the Government to seriously consider my proposal in the next Budget.

My next observation, Deputy President, is about joint assessment under the salaries tax system. Deputy President, as we note, a married couple receiving employment income is normally assessed as separate individuals. However, they may elect to be jointly assessed if this can reduce their overall tax liability. For example, if the husband or the wife of a married couple has income that is chargeable to profits tax and property tax, the married couple may also elect to be assessed under personal assessment to reduce their tax liability. However, separate taxation for the couple is not applicable under personal assessment.

During the scrutiny of the Bill, Deputy President, I have asked for information relating to a number of jurisdictions with the joint taxation system in place. Indeed, out of the 20 very developed economies, ranging from Australia to Italy to the United States, only about seven jurisdictions adopt a joint assessment system for husband and wife. Deputy President, the reason for my asking whether a joint assessment system exists in some of these economies is not that I want to reform our fiscal system, rather, my rationale lies in the principle of equality of the sexes. Although husband and wife do form a family unit, I do think that the fiscal matters for the husband and the wife should be segregated and separated.

If a joint assessment system is adopted, I would also urge the Commissioner and the Secretary concerned to examine whether this arrangement would infringe the Family Status Discrimination Ordinance and the Sex Discrimination Ordinance. In fact, the principle of sex equality is the reason why a number of jurisdictions have reformed their personal tax system from a household basis to an individual basis. On top of that, of course, there is the data privacy principle that needs to be observed. I would urge the Secretary, therefore, to examine whether our existing system of salaries tax assessment for couples really reflects the social value which our society currently adores.

Deputy President, I would urge the parties and my colleagues across the spectrum to support this Bill. Thank you, Deputy President.

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

**MR ALBERT CHAN** (in Cantonese): Deputy President, please ring the bell and do a headcount.

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

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

**DEPUTY PRESIDENT** (in Cantonese): Mr WONG Kwok-hing, please speak.

**MR WONG KWOK-HING** (in Cantonese): I wish to express my opinions on the Inland Revenue (Amendment) Bill 2014 on behalf of the FTU.

In this Bill, it is proposed that there will be a reduction of salaries tax for the year of assessment 2013-2014 by 75%, subject to a maximum of \$10,000 in each case. The FTU thinks that this is grossly not enough because the growth in real wage of wage earners now lags far behind the rise in prices. Rents, transport fees and fresh produce all increase in prices. So the FTU hopes that

next year when the Government is to consider this item, it can seriously consider the view of the FTU and further increase the reduction by 50%, that is, from 75% to 100% and subject to a maximum of \$15,000 in each case. If the outcome of assessment is \$15,000 or below, then the payment of salaries tax is not required. I hope the Administration can seriously consider this view from the FTU.

In addition, with respect to the dependent parent/grandparent allowance and residential care expenses, although reduction is made in these three items in the Bill, I think that the reduction can be more generous to better meet the requirement of paying respect to the elderly. During my discussion on the Bill with the Government, I made a criticism of this deduction right in the face of the Financial Secretary. I described it as too meagre salt, for if one uses it to buy the salt would be not salty enough and if one uses it to buy ginger, the ginger would not be hot enough. We need only use the price of a bowl of plain congee in an ordinary Hong Kong-style café or a congee and noodles shop, which is \$10, to do a comparison, then we can have some idea as to what this deduction is like.

As an example, this Bill proposes that with respect to the residential care expenses for eligible parents and grandparents, a deduction is raised from a ceiling of \$76,000 to \$80,000. In other words, there is an actual increase of \$4,000. If this sum of \$4,000 is divided by the number of days in a month, the amount each day will be \$10.95, which is barely more than a bowl of plain congee which costs \$10. As for the allowance for eligible dependent parents or grandparents aged 55 to 59, it is raised from the present amount of \$19,000 to \$20,000, that is, an increase of \$1,000. If this sum of \$1,000 is divided by the number of days of a month, it is \$2.73 per day, or the price for a quarter of a bowl of plain congee. Is this not way over board? We can also look at the allowance for each dependent eligible parent or grandparent. The amount is raised from \$38,000 to \$40,000, or \$2,000 in real terms and this is on average \$5.47 per day. It is a little bit more than the price for half a bowl of plain congee.

If the price of a bowl of congee is used in this analogy about the so-called increase in the allowance for dependent eligible parents and grandparents, it is minimal, just better than nothing. So I hope that the Secretary can heed the FTU and increase the allowance substantially next year. He should not give people an impression that he is mean, for it violates the principle of paying respect to the elderly and loving and caring for them.

Although we have a different opinion about this Bill, we will accept and pass it with reluctance. Because this is better than prolonging the congestion in the Finance Committee which has more than 70 items pending, with 41 kinds of subsidies that would benefit the disadvantaged. We can see that the present situation is really bad and for many people who receive government subsidies or the Old Age Allowance, Comprehensive Social Security Assistance or Disability Allowance, they used to expect to be paid an extra month of these subsidies. But now these have to wait for passage in the Finance Committee. Also, there is a proposal to pay one month's rent for public housing tenants, but now we do not know whether or not this can become a reality. Likewise, we do not know if the increase in the value of the elderly healthcare vouchers by doubling the current value and the pay rise for civil servants can come true. So in view of these, we will support this Bill, and we hope that it will come into force soon. We also hope that next year the Government can seriously consider how it will obtain funding from this Council and pre-empt the current situation in the Finance Committee, in which people use all sorts of ways to filibuster, thus causing this great congestion and preventing members of the public from benefiting from government initiatives.

With these remarks, I support this Bill.

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

**MR SIN CHUNG-KAI** (in Cantonese): With respect to the amendments mentioned in the Inland Revenue (Amendment) Bill 2014, which are in brief, on increases in allowances, the Democratic Party ...

**MR ALBERT CHAN** (in Cantonese): Sorry, Mr SIN Chung-kai. Deputy President, please do a headcount.

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

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

**DEPUTY PRESIDENT** (in Cantonese): Mr SIN Chung-kai, please continue.

**MR SIN CHUNG-KAI** (in Cantonese): Deputy President, the Government proposes in the Bill, sorry, tax concession measures. The Democratic Party does not have any strong views against them. But the question is, the Government has not shown any principles and standards.

What I mean by having no principles and standards is that we cannot predict what kinds of allowances the Government will increase or reductions it will make. This year the Government proposes to increase the dependent parent/grandparent allowance while the child allowance was increased last year. However, the Government does not give a reply to questions raised by Members in the meetings of the Bills Committee as to after how many years will a review be conducted on allowances. Can the Government work out a formula on this so that we can have some idea beforehand? What is the baseline of the Government and how is a review conducted? The relevant Bureau has not given any reply to these questions.

Now we have many kinds of allowances, but we do not know when a review will be undertaken and when will allowances be increased. Whenever the Government feels like it, it will increase the relevant allowances for the elderly or it will increase the child allowance when it does not feel like it. Or it will reduce salaries tax and make everyone happy. I hope the Secretary in his response later can tell Members whether or not the Government has got a policy on that. Maybe the Government bases its policies on what it likes most. But the question is, are these policies reasonable? Members can say what they think of this. But with respect to when allowances will be increased or reduced, there is really no logic in the Government.

This year the Government suggests that an allowance should be increased by \$2,000. This rate of increase is slightly higher than the inflation rate. And when the increases for two years are added, it may be higher than the inflation rate. But with respect to other allowances, such as the child allowance which was increased last year and the concession in salaries tax, the Government is silent on them.

The Government would propose a concession in salaries tax almost every year. This year's proposed deduction is 75%. This is to achieve an effect of

handing out candies. But whether or not more candies can be handed out will have to depend on the financial strength of the Government. I do not have any strong opinion on that. But my concern is that of the many allowances available, does the Government have any formula so that it can decide in a systematic manner when an allowance is increased and when a review will be undertaken. Is there a cycle for this? The meaning is, will it start first with the dependent parent/grandparent allowance, then go on to child allowance, and finally to personal allowance, or if a review will be conducted every year or every three years? This is something we should consider and discuss.

But we cannot see any principles, systems or policies in the Government with respect to this. I hope when officials speak later on, they can explain to us why of the numerous allowances, only the dependent parent/grandparent allowance is selected, instead of other allowances. On what factors does the Government base its decision?

I so submit.

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

**MR ALBERT CHAN** (in Cantonese): Deputy President, I want to speak. I am not requesting a headcount.

Deputy President, the Inland Revenue (Amendment) Bill 2014 touches on a number of important areas. Clause 4 provides a deduction in the year 2013-2014 ...

(Dr CHIANG Lai-wan stood up)

**DEPUTY PRESIDENT** (in Cantonese): Mr CHAN, please hold on. Dr CHIANG Lai-wan, what is your point?

**DR CHIANG LAI-WAN** (in Cantonese): Please do a headcount.

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

**MR ALBERT CHAN** (in Cantonese): Thank you. It is most welcomed to have more Members back here to listen to my speech.

**DEPUTY PRESIDENT** (in Cantonese): Please do not speak, Mr CHAN.

**MR ALBERT CHAN** (in Cantonese): It is my speaking time now.

**DEPUTY PRESIDENT** (in Cantonese): We are doing a headcount. Please sit down.

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

**DEPUTY PRESIDENT** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): Deputy President, I wish to thank the large number of Members who have returned to the Chamber to hear me speak.

Deputy President, this Bill seeks to make some slight adjustments to the allowances for individuals, their families, parents and children, and taxes like profits tax. These adjustments are only petty favours extended to taxpayers and put simply, I can describe the amendments as "three have-nots", that is, they have no logic, no rationale and no thinking. Over the past six years the Financial Secretary has made many blunders in his budgets, but I am not going to speak on them. This is because as I have pointed out many times, I have grown tired of doing so. We can see that there are great flaws in the amendments proposed in the Bill for passage by this Council in terms of the actual taxation arrangements.

Deputy President, since the number of Members in attendance has once again decreased, I wish to follow the move taken by Dr CHIANG Lai-wan and request a headcount. Please call Dr CHIANG Lai-wan to come back to the Chamber and listen to my speech.

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

(While the summoning bell was ringing, THE PRESIDENT resumed the Chair)

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

**PRESIDENT** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): President, just now when I talked about the amendments to the Inland Revenue Ordinance. I said they are devoid of logic, rationale and thinking. These amendments are on the whole only petty favours extended to taxpayers. We fail to see any line of argument behind the amounts found in these amendments, nor can we see the rationale and the logic.

The Financial Secretary as the controller of tax matters should present to the Government numerical data, value judgment and assessment based on the real situation when it comes to questions like how much tax the people should pay and under the Budget, in what circumstances should the people be allowed to pay less tax or have a tax rebate. For many years we have asked the Government to explain in working out the amount of CSSA payments, how the CSSA amount of a monthly payment of \$1,600 to \$1,700 is set for each recipient. Is the sum a reasonable amount? How much in it is for expenses on food, clothing and daily necessities? All these will have to be carefully worked out.

After arguments for 20 years, the Government still refuses to explain the logic behind the amount of CSSA set by it. This also applies to taxation matters.

Just look at the proposals made this time around. Clause 4 provides for the reduction of salaries tax, tax under personal assessment and profits tax payable for the year of assessment 2013-2014 by 75%, subject to a maximum of \$10,000 in each case. But why does it have to be 75% and \$10,000? The entire taxation arrangement is baffling. And this problem has been raised for many years. But still no explanation has ever come from the Government. I hope Secretary Prof K C CHAN will tell the people that this proposal from the Government is arbitrary and it is the result of its whims and for convenience's sake. Or is the total tax concession is first worked out, then the amount of concession in salaries tax is set at about \$9.2 billion and the concession in profits tax is about \$1 billion, such that the total amount is \$10 billion?

Does the Government first decide on the total amount, that is, that the total concessions made in this year's Budget should be \$10 billion, then split up the amount at 10% and 90%, that is, 90% will be on concession in salaries tax and 10% will be on concession in profits tax? The explanation given by the Government is completely devoid of logic and factual support. Moreover, after so much profits tax is reduced, is it meant to stimulate the economy or will it be used as a kind of return or transfer of benefit? There is no explanation whatsoever given by the authorities and it has been the same year after year.

President, I can see that the number of Members in attendance has become less again. And Dr CHIANG Lai-wan is not in attendance. I will ask for a headcount again. I hope Members can know more about the absurdities in taxation matters. President, please do a headcount.

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

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

**PRESIDENT** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): President, about the logic found in these minor tax concessions, we will know more clearly when we check the figures. In this one-off concession in salaries tax and tax under personal assessment, the number of taxpayers involved in this proposal is as much as 1.74 million. But those who can actually benefit are those taxpayers who will pay \$10,000 or more in tax. Basically, a taxpayer should have an income of at least \$250,000 before he is required to pay a tax of \$10,000 and hence can benefit obviously in this proposal to deduct \$7,500 of the tax. Of course, there are also people who do not have to pay any tax.

Insofar as the overall revenue position is concerned, as I have just said, some people may earn \$20,000 a month and their annual salary is about \$250,000. For some other people, they make more than \$1 million a year. But they get the same benefit and that is, about \$7,500. We cannot help but ask, as the controller of finance in Hong Kong, why does the Government let those rich taxpayers who are so fat that they cannot even pull up their socks get the same amount of \$7,500 as those from the middle class who can barely make ends meet? Taxation arrangements are a kind of government measure, tool or weapon and their aim should be the distribution and redistribution of public resources. It is hoped that based on a set of values, logic or beliefs, and with the Government as the controller of public finance, society can make use of this rational distribution through taxes in order to achieve a reasonable improvement in people's life, or at least not a deterioration of it. It follows that there are certain practices and actions behind it.

If persons who make \$20,000 a month or those who make \$100,000 a month can all get back \$7,500, then what kind of improvement will this be made to their life? Suppose there is no tax concession, the \$10 billion to be used on providing tax concessions in profits tax and salaries tax is used for the purpose of redistributing public resources and the sum is put to reasonable uses, this will give a greater benefit to society as a whole or certain people from the middle class. So many middle-class people are willing to give up this tax concession of \$7,500 and demand that this sum be allocated to education and healthcare purposes. This may lead to a more direct and marked improvement in the life of the people. But as I have just said, the Government does not have any rationale in this and it can rightly be described as a controller with "three have-nots" and it should be fired. In this connection, I have talk a lot on this in the debate on the Budget held some time ago, so I will not make any repetition here. But I think we must face up to the problems mentioned in today's debate.

Certainly, we welcome the proposal that some kind of concession should be given to people considered to have a low income, such as those with a monthly income of \$20,000. But for those who are so fat that they cannot even pull up their socks, if they are given concessions, we would consider this is just another kind of transfer of benefit. This applies especially to the concession in profits tax and we oppose it strongly, because this kind of small concession would not have any effect on those giant consortia, especially the subsidiaries of these giant consortia. The amount is so small that it cannot even be used to buy a bottle of red wine. Since this is the case, the Government may as well return the \$1 billion to the Treasury and use it as public expenditure. This can hopefully lead to improvements in other areas.

President, the number of companies which will benefit from this concession in profits tax is as many as 126 000. Of course, a company may have more than a hundred subsidiaries. And so we can work out from the logic and rationale of this financial distribution that in the end, we can deduce that the greatest benefactors may again be those giant consortia. So this kind of concessions in profits tax or salaries tax appears to enable members of the public to benefit, but in the end, it is those giant consortia which benefit the most.

President, the amendment in clause 5 is to amend Schedule 3C to increase the maximum amount of elderly residential care expenses deductible from assessable income from \$76,000 to \$80,000 for the year of assessment 2014-2015 and subsequent years of assessment. In this connection, I think we should really hurl eggs at him when we see him. Last time we should have got some old folks to hurl eggs at him. This is really the right thing to do. When he proposes to increase the maximum amount deductible from \$76,000 to \$80,000, is this a kind of alms-giving? Even if it is alms-giving, he should not be that mean. Many people say that the Financial Secretary is a miser. He is generous to himself and the consortia, but he is so mean to the elderly people that it really makes us angry.

This maximum amount deductible on residential care expenses for elderly persons is so small that it is only raised from \$76,000 to \$80,000. I will talk about the absurdities of other tax adjustments and why these cannot bring any help in real terms. I must point these out. Or else the Government will think that it has been very generous in setting aside \$10 billion so that many people or even more than 1 million people can benefit and that elderly persons can benefit also from this extra item. As LEUNG Chun-ying has said recently in his report, improvements made to the webpages of public libraries are considered an example of his benevolent rule. Now the Financial Secretary is doing the same. He claims to have taken care of the elderly persons when he makes this tax

arrangement, especially in increasing the maximum amount of elderly residential care expenses deductible. But what can be done with this sum of \$4,000? If Members do not check the figures, it may be very easy for them to be cheated and misled by the Government, concluding that the Government really cares for the grassroots.

Moreover, the abovementioned upward adjustment to \$80,000 is still too low. What is the assessment made by the Government on the residential care expenses of the elderly? If according to the Government's assessment, the amount required monthly is some \$6,000, and the amount for one year will be \$80,000. But is this figure accurate? Just try to check with the elderly the fees charged for homes for the aged. Secretary, can you find a home for the aged which charges residential care fees at \$6,000 a month? Speaking of those homes for the aged which look decent and provide sound services, the fees charged monthly range from \$8,000 to \$10,000. Those elderly person on CSSA may occasionally find certain homes for the aged with poor conditions and are crowded, that is, every inmate has a space of 4 ft by 6 ft only, just enough to place a bed and a small table. These spaces cannot allow the inmates to see the blue sky or any sunlight (*The buzzer sounded*) ... I will speak more on this later on.

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

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

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

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

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, please speak.

**MR CHAN CHI-CHUEN** (in Cantonese): President, we often say that the Financial Secretary is a miser and that the Government is insensitive to the pain and suffering of the masses and when it determines tax concessions, it is entirely detached from the people's life and their sentiments. I recall that during the

Budget debate, I once raised a question that asked the Financial Secretary if he knew how much did a lunch box weigh. What I mean is that not that I want him to take a lunch box of corn with garoupa slices and put it on a scale to see how much it weighs. I wanted to ask him whether or not he knew how many pieces of newspapers or cardboards the old people have to pick up before they can use the money to buy a lunch box, a meal. The answer is that they have to pick up some 100 pounds of paper and cardboards before they can use the money to buy a lunch box. The answer is that it is the weight of a person like me.

First of all, I wish to talk about clause 5 of the Inland Revenue (Amendment) Bill 2014 on amending Schedule 3C, that is, on the maximum amount of elderly residential care expenses deductible. I agree very much with the remark made by Mr Albert CHAN just now, that the amount of tax concession only increases by \$4,000 compared with last year ...

**PRESIDENT** (in Cantonese): Mr CHAN, we are holding a Second Reading debate on the Inland Revenue (Amendment) Bill 2014 and as it is not the Committee stage now, you should speak on the merits and demerits of the Bill as a whole and on its principles.

**MR CHAN CHI-CHUEN** (in Cantonese): President, is it true that I cannot speak on the details?

**PRESIDENT** (in Cantonese): During the Second Reading debate on the Inland Revenue (Amendment) Bill 2014, each Member can only speak once and the time limit is 15 minutes and they can speak only on the overall merits and demerits of the Bill and its principles.

**MR CHAN CHI-CHUEN** (in Cantonese): Thank you, President. Then I request a headcount first, so that I can sort out the contents of my speech.

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

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

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, please continue.

**MR CHAN CHI-CHUEN** (in Cantonese): I wish to thank the President for reminding me that we are having a Second Reading debate now, not in the Committee. However, in the example I have just given, my mention of this change in the maximum amount of elderly residential care expenses deductible is actually trying to illustrate the point that irrespective of handling allowances, tax rebates or, like I said, granting deductions in tax chargeable, the Government shows that it does not have any logic at all. We do not know what it wants and what it wants to do or what kinds of people it wants to help and whether or not they can be helped. This happens year after year. And this Inland Revenue (Amendment) Bill 2014 can be regarded as salt that does not taste salty and vinegar that does not taste sour.

It is true that there is an increase in the amount deductible for elderly residential care expenses. The increase is a few thousand dollars and the amount is increased to \$80,000. When divided by 12 months, it is \$6,000 a month. I do not know if the Financial Secretary or the Secretary has got parents to maintain. But when they get a monthly salary of some \$200,000 to \$300,000, I do not think they should call themselves middle class. They are those in our society who have made the greatest achievements. For them, this kind of concession in salaries tax is just a drop in the ocean. These concessions and changes in tax chargeable or payable are really like making salt that does not taste salty and vinegar that does not taste sour.

When they make some \$200,000 to \$300,000 a month, it is more than enough for them to maintain their parents. But the middle-class people have to pay from their pockets every month. If their parents live in the homes for the aged, in my case, I have to pay some \$10,000 a month for my mother. It is fortunate that only my mother still lives while my father has passed away. I do feel the burden actually. Please do not think that Members with their monthly salary of some \$80,000 will not feel any burden. And even if you pay some \$10,000, the place you lease is no good at all. It is bad anyhow. I do not think I should go into the details of that. Why does the People Power always demand that money be refunded to the people? Refunding the people is the most direct way to help the people and the middle-class people can also benefit from it directly.

On these concessions, such as those for elderly residential care expenses, if both of your parents are still living, you will find it very difficult already. A son may have to maintain his father and a daughter may have to maintain her mother. If both the son and daughter have the financial capability, not only can they hire a foreign domestic helper ... Of course, hiring a foreign domestic helper does not entitle one to any tax concession. On the allowances, if the personal allowance is set at \$120,000, many citizens ask me to tell the Government that this is useless and it will not help things. How should we understand this amount of \$120,000? It means those with a monthly income of \$10,000 can be exempted from paying tax and those who make more than \$10,000 are required to pay tax. What uses can be made of this \$10,000? One has to meet his daily expenses. We can work out the sum. When a person lives in a place, if it is a public housing unit, then the monthly rent payable can be cheaper. Otherwise, ... The current discussion in society is on how much money should one earn before one can live in a place all by himself. Can a person who earns \$10,000 do so? No, certainly not.

Now if you want to rent a subdivided unit with an area of some 100 sq ft to 200 sq ft in Causeway Bay, do you know how much rent you have to pay? It is some \$8,000. Of course, you can forget it if you make \$10,000 a month. You cannot afford to live even in a subdivided unit. You are lucky if you do not have to sleep on the street. Then you should live with your parents. Many people have written to us requesting assistance in splitting household. They say that they are more than 20 years old and it is not possible for them to live their parents in the same public housing unit, for there is entirely no private space.

It is therefore not reasonable to set the amount of personal allowance at \$120,000 because it cannot take care of one's daily expenses. Let me cite an example. According to figures from the Census and Statistics Department, the expenses of a one-man household in 2009 are \$13,000 on average. For citizens with an assessable income of only \$120,000, they cannot make ends meet. Many people do not have the means to pay tax, unless they can have other concessions. Of course, there is no free lunch in this world and tax concessions for free. As for other benefits, it would be a different story if you have to maintain your parents. Unless your parents can maintain themselves and they can let you apply for this allowance, then there is some sort of help. This is better than nothing for an individual.

There are many young people who have just fallen into the tax net. They have to repay their loans after graduation and they have to pay tax when they

have just started saving up money. No wonder young people want to find a job which does not oblige them to pay tax. The best would be a job with a salary low enough to qualify them to apply for public housing. This would be the best kind of job. President, things are really out of the ordinary these days. There are some employees who say to their boss that they do not want to get a pay rise because after a pay rise they have to pay tax and they cannot apply for public housing. They even say that they do not want to be considered for promotion. It is fine if other people are promoted because after the promotion, the salary will be increased by \$1,000 and they will fall into the tax net. They will find it difficult to make applications. The current median wage is \$11,500, so, it would be meaningful only if we use this amount as the basis to set our so-called basic allowances. I would suggest that the basic allowance be set at \$24,000, that is, only people earning more than \$20,000 a month will be required to pay tax. This will make it much more reasonable.

On the question of allowances, the situation of married persons is better. Married persons have an allowance of \$240,000. But when we talk about the married person allowance, President, please allow me to digress a little bit. The meaning of a married couple is a man and a woman, but a couple of the same sex cannot enjoy any tax concessions. I do not know why after such a long time the Government still does not enact an anti-discrimination law on this. If a relevant law is enacted, can we act on the law and challenge the Government? Is it because if I do not have the right to form a "family" that I cannot enjoy this allowance for married persons which is set at \$240,000? I do not know if any sort of law on equity is breached. But that is another issue and we will certainly fight for it. Even if this is not clearly provided in the Marriage Ordinance, I think the Government should consider enacting a law on companions or something like civil union as practised in some foreign countries. This will enable such people to enjoy the same right in tax allowances. As a matter of fact, tax paid is a contribution made to society. If people have the ability to earn a certain amount of wage, they should pay tax. If the Government allows married persons to enjoy a greater allowance, why should couples of the same sex not enjoy the same right? I think as we discuss tax matters, this is an issue that worth bringing up.

Married persons can enjoy an allowance of \$240,000. What is the situation? It means a couple can have an allowance of \$20,000 a month. Suppose either the husband or the wife works and the other does not. In the present circumstances of high rents and living expenses, they will find it hard to

make ends meet. I have found some rather outdated figures from the Census and Statistics Department, from the year 2009. The expenses of a two-person household are \$18,000. If the couple makes \$20,000 a month, it is likely that they cannot make ends meet. And the tax liability is an additional burden.

I still have a little bit of time, so I must talk about the dependent parent allowance as a matter of course. This allowance for parents is also a concession which is better than nothing. The parents should be over the age of 60 and the taxpayer is entitled to getting this allowance. In this year, the dependent parent allowance is increased to \$40,000. But this is just a petty favour extended to taxpayers. In general, apart from a tax rebate, some of these tax concessions which can help the middle-class people include the allowance for dependent parents. I have given the allowance to my sister. If a taxpayer has many brothers and sisters, they may have to fight for this allowance. We all give money to maintain our parents. But the allowance is too small in amount. Do people have to say that they give \$3,000 a month to the mother or \$6,000 a month to the father and should they sit down and divide up the dependent parent allowance? In terms of economics, the administrative cost and the trade-off are very high. So in many families, the allowance is given to the family member who is least well-off. For example, if the younger brother has financial difficulties, the dependent parent allowance will then be given to him.

In general, how much do we think a middle-class family will pay every month to maintain parents who are above the age of 60? How much do we give our parents? It would be another matter if our parents are rich. But if this is not the case, they will have to depend on subsistence from their children. I would think that paying \$5,000 would be reasonable. Then if we take the amount to be \$5,000 a month, how much money will be spent in one year? It is simple enough, just multiply the amount by 12. That means, \$60,000 a year is used to maintain the parents. But the dependent parent allowance is only \$40,000. This is only two thirds of the expenses. Does the Government think that giving \$5,000 to the parents monthly is too much and only \$3,300 will be enough?

Such examples are really plenty and they can be readily found. And the last thing I wish to say is, if the financial situation of the Government is good and if the Government wants to introduce some tax concessions to help these middle-class people so that they can lead a more comfortable life, this kind of trivial allowances or deductions in assessable income will not help at all. The grassroots have just become the middle class because the Government says that

those who have to pay tax cannot be called grassroots. But I would still call them grassroots. So the Government should not just increase a little bit every year, like adding \$2,000 (*The buzzer sounded*) ... or \$200 and consider the matter settled.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, then I will call upon the Secretary for Financial Services and the Treasury to speak in reply. The debate shall come to a close after the Secretary has replied.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, first of all, I wish to thank Mr Kenneth LEUNG, Chairman of the Bills Committee, Members and colleagues in the Legislative Council Secretariat for their effort in enabling the scrutiny of the Bill to be completed smoothly. I would also like to thank Members for their support of the resumption of the Second Reading of the Inland Revenue (Amendment) Bill 2014 today. This will give effect to the proposals concerning tax concessions expeditiously.

The object of the Bill is to amend the Inland Revenue Ordinance to give effect to the proposals concerning tax concessions in the 2014-2015 Budget and to provide for transitional matters.

In order to alleviate the burden of taxpayers in maintaining their parents/grandparents, the Bill proposes that starting from the assessment year 2014-2015, to increase the allowance for maintaining a dependent parent or grandparent under salaries tax and tax under personal assessment as well as the additional allowance granted to taxpayers residing with these parents or grandparents continuously throughout the year. Specifically, the allowance for maintaining an eligible parent or grandparent as well as the additional allowance granted will increase from \$38,000 to \$40,000. If the parent or grandparent is aged between 55 and 59, the abovementioned allowance and additional allowance will increase from \$19,000 to \$20,000.

For parents or grandparents who live in homes for the aged, the Bill proposes that the deduction ceiling for elderly residential care expenses will be raised from \$76,000 at present to \$80,000.

The above proposals on increasing the allowance for maintaining a dependent parent or grandparent, and on raising the deduction ceiling for elderly residential care expenses, will benefit about 550 000 taxpayers and the revenue foregone is about \$300 million a year.

In addition, the Government has in the 2014-2015 Budget proposed a number of counter-cyclical one-off relief measures. These include reducing salaries tax, tax under personal assessment and profits tax for the year of assessment 2013-2014 by 75%, subject to a ceiling of \$10,000 per case. The reduction will be reflected in the final tax payable for that particular year of assessment. The tax concession proposals will benefit about 1.74 million taxpayers and 126 000 tax-paying companies and unincorporated businesses respectively. The revenue foregone is about \$1.02 billion.

Some Members have asked why a married couple is not allowed to apply for personal assessment separately. I wish to point out that under the present salaries tax, a couple can elect joint or separate assessment. As for personal assessment, it is by nature not a taxation item and it is in fact a tax concession for people who have to pay more than one kind of income tax, such as salaries tax, profits tax or property tax. Persons who can benefit from personal assessment depend on individual circumstances. The Inland Revenue Department will assess each case in which personal assessment is elected, in order to ensure that the tax liability of the applicants can be reduced. If taxpayers are allowed to elect personal assessment jointly or separately with their spouse, or if the losses incurred to a spouse is freely transferred to another spouse in order to offset his or her income, this will complicate the assessment system and hence greatly increase the risk of tax avoidance.

As for the suggestion which claims why the profits tax for small and medium enterprises (SMEs) cannot be revised lower, I wish to point out that the bulk of profits tax revenue comes from a small number of enterprises and close to 90% of the companies, most being SMEs, are not required to pay tax. Of the 95 000 tax-paying companies, the average tax paid by about 57% before the one-off concession measure is only about \$25,000, the tax burden cannot

therefore be called heavy. If we were to further divide tax-paying companies according to their returns, this will complicate our simple tax regime and the line drawn for the level of returns is inevitably arbitrary to a certain extent. After weighing the impact of the proposal on individual enterprises, the tax regime and tax revenue, we chose to meet the demands from the business sector by adopting the approach of a simple, direct and one-off tax concession.

As for Members' question on the aims and rationale for the tax concession measures on this occasion, I wish to point out that when the Financial Secretary compiled the Budget for the year 2014-2015, he had consulted a wide range of groups and individuals from all walks of life. He had also heard many different views, including those on specific measures to reduce the expenditure on certain items in daily life. However, we have to consider our overall financial commitment and the equity in resource distribution. So we cannot meet each and every demand. We have considered the fact that a number of regular measures are introduced to assist the grassroots and also the economic outlook for next year, especially in the inflation which tapers off, as well as the financial situation this year. Therefore, the Financial Secretary proposed in the Budget to resort to a simpler and more direct one-off reduction in taxes and increasing the allowances to meet the different demands in the community.

President, I implore Members to support the passage of this Bill so that we can give effect to measures that will benefit taxpayers early.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) Bill 2014 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Albert HO, Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr Tommy CHEUNG, Mr Frederick FUNG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr Ronny TONG, Ms Cyd HO, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr WONG Kwok-kin, Mr IP Kwok-him, Mrs Regina IP, Mr Alan LEONG, Ms Claudia MO, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Gary FAN, Mr Charles Peter MOK, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Miss Alice MAK, Dr KWOK Ka-ki, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan and Mr Tony TSE voted for the motion.

Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 49 Members present, 45 were in favour of the motion and three against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

**CLERK** (in Cantonese): Inland Revenue (Amendment) Bill 2014.

Council went into Committee.

### **Committee Stage**

**CHAIRMAN** (in Cantonese): Committee Stage. Council now in Committee.

### **INLAND REVENUE (AMENDMENT) BILL 2014**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Inland Revenue (Amendment) Bill 2014.

**CLERK** (in Cantonese): Clauses 1 to 7.

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

**MR ALBERT CHAN** (in Cantonese): Chairman, Members need not be frightened. I am not requesting a headcount. I am just speaking.

Chairman, I have pointed out during my Second Reading speech just now that these tax concessions are actually "three have-nots" in the sense that they have no logic, rationale and in terms of actual effect, there is also bias. When we look at the specific information, we will know more clearly the severity of the problem.

According to government information on tax distribution, and I have made a chart on that, it can be seen how this tax concession worth tens of billion dollars would distribute. For taxpayers earning \$210,000 to \$240,000 each year, there are about 120 000 people and each one of them can get a deduction of \$750 and the amount of public money involved is some \$95 million. We can see that for some 100 000 people, they are given just some \$90 million and every person can get \$750. For taxpayers earning \$240,000 to \$270,000 a year, each one of them can get a tax concession worth about \$1,200 and 110 000 taxpayers are involved

and the amount of public money involved is some \$137 million. For those earning an annual salary of \$270,000 to \$300,000, there are about 100 000 persons and each one can get a tax concession worth \$1,800. The amount of money involved is some \$190 million. The figures will get larger and larger because the amount of tax concession will increase. There are 257 000 taxpayers with an annual salary of \$300,000 to \$400,000 and each one is entitled to getting a tax concession worth about \$4,000. This is worked out according to the percentage of tax concessions from the Government. The money involved is larger in amount and it is \$1 billion. When the amount is shared among these 250 000 people, each one of them can get \$4,000. Those taxpayers with an annual salary of \$400,000 to \$500,000 can each get a tax concession worth \$10,000. Here the amount of public money involved is some \$1.588 billion. About this group of people with an annual salary of \$500,000 ... according to my statistics, for those earning \$210,000 to \$500,000, the public money involved is about \$3 billion. These are the figures I have worked out.

Chairman, the following figures are really stunning. The number of taxpayers earning an annual salary of \$500,000 or more is by no means small. About 353 000 taxpayers are involved. The amount of tax concessions is \$3.5 billion. Chairman, it is \$3.5 billion.

Chairman, the comments I have just made are about those who are so fat that ... actually, an income of \$50,000 cannot be considered to be very high in Hong Kong. Of course, there are people with an annual salary of more than \$1 million. But if you look at the benefits they get, those with a good income take up a considerable part of the tax concessions. This brings us back to the logic and philosophy of public finance management which I have talked about earlier, as well as the actual impact on the citizens.

Of course, it is not that bad for some of the middle-class people if they can get back \$10,000. But the People Power suggests that every citizen should be paid back \$10,000. Based on this amount, a family of four can get \$40,000. In comparison, the tax concessions as proposed by the Government now will not give them too much benefit. For those people with an annual salary of over \$1 million, this \$10,000 cannot even buy them a bottle of red wine.

So, from the perspective of taxation management and improving people's lot, I cannot say that this tax concession will definitely not be able to help the people raise their standard of living. But from the perspective of public finance management, it can be regarded as an utter failure. Because there is no rationale

behind the design of this concession. It is all about giving the money to its own people, that is, a bit of the money is given to certain people and a bit is given to other people. This is a political version of sharing the loot.

This thinking of political loot-sharing is simple and we can just look at where do the interests lie and how much is given to whom. Some of the concession goes to the government rates, some to profits tax and some to salaries tax. This is what I mean by political loot-sharing. The amount does not matter so much because it is sharing out the loot and it is not assessed from the perspective of quality of living, raising the actual standard of living and meeting needs, or is it dealt with according to public finance expenditure measures.

It is because if the Government really wants to achieve the above goals with this tax concession, then it must assess how much is the current income for a particular class, a particular kind of households or citizens of a certain age bracket. Then the Government has to decide if these families are given \$10,000 or \$20,000, will the money help them meet their needs of living in a certain area and can the money meet their needs in life?

For example, in many countries, if the government thinks that the housing problem is very important, it will prescribe that should the rent exceed 25% of the household income, the government will subsidize the rest of the rent after the 25%. This measure is obviously based on the belief that if the rent exceeds 25% of the income, pressure will be exerted on the living expenses of a family, affecting their quality of living and needs. This is based on a conclusion so reached after assessment. For example, there will not be enough money to buy food such as infant formulas, clothes or pay for transport fees, and so on. All these need to be worked out and assessed.

**CHAIRMAN** (in Cantonese): Mr CHAN, you should not be talking about contents not related to the clauses.

**MR ALBERT CHAN** (in Cantonese): Understood. Chairman, I wish to discuss clause 4 in the context of taxation matters. I have shown where the problems lie in the form of a chart. Actually, the Financial Secretary and the Secretary have used a very simple approach to taxation matters. They will just say that the ceiling for each person is 75% and the maximum amount is \$10,000. But from

the angle of taxation in practice, and when the provision is analysed specifically, and from the perspective of the philosophy of public finance management, we will see many absurdities and problems. I just want to point out where the problems lie by referring to clause 4.

As for clause 5, I commented on it when I spoke in the Second Reading debate. I will not repeat it now. I wish to talk about clause 6 and this is about how the basic allowance is determined. Chairman, in the comments I made earlier, I already put forward a similar view. The basic allowance is \$120,000 for one year. In other words, those with a monthly salary of \$10,000 have to pay tax. The Financial Secretary is in charge of public finance management, should he not take into account the high rents and transportation costs in Hong Kong as well as the cost of living index and make an assessment to see if those people earning a monthly salary of \$10,000 will need to pay tax? An assessment is in order. Generally speaking, paying tax is the basic responsibility of a citizen. But the Government also collects many kinds of indirect tax, such as rates, gasoline duty, and so on. These indirect taxes have a certain impact on the life of the citizens. So if it is decided that those earning an annual salary of \$120,000 will pay tax, then what is the logic behind it?

**CHAIRMAN** (in Cantonese): Which clause are you speaking on?

**MR ALBERT CHAN** (in Cantonese): Clause 6.

**CHAIRMAN** (in Cantonese): Which part of clause 6?

**MR ALBERT CHAN** (in Cantonese): The part about the basic allowance of \$120,000. Chairman, please see the second column under clause 6(2).

**CHAIRMAN** (in Cantonese): Clause 6 is about amendment to Schedule 4 of the Inland Revenue Ordinance to raise the dependent parent allowance.

**MR ALBERT CHAN** (in Cantonese): This is an adjustment based on the basic allowance of \$120,000.

**CHAIRMAN** (in Cantonese): Please state clearly which part of the clause you are speaking on.

**MR ALBERT CHAN** (in Cantonese): Chairman, I will state clearly where the problems lie.

Chairman, base numbers are very important and it is only when we have base numbers that we can deduce and reason. This is about calculations regarding the overall household expenditure. In my opinion, this basis is wrong and the result is the citizens cannot make ends meet and they have to bear great pressure in life. Now the median wage of workers is still \$11,500 a month, which is on the low side. Therefore, I consider that the standard set by the Government is unreasonable.

Chairman, I hope to have more time to sort out matters so that I can express my views more clearly. I request a headcount.

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

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

**CHAIRMAN** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): Chairman, on the proposed amendment to the Schedule in clause 6, the first part is on basic allowance and the second part is on married person allowance and the third part is on dependent parent allowance ...

**CHAIRMAN** (in Cantonese): Mr CHAN, if you care to refer to the Legislative Council Brief of this Bill, you will know that there are no changes to the amounts of the basic allowance and the married person allowance which you are talking about, that is, the amounts for the years 2014-2015 and 2013-2014, and even that of 2012-2013 are the same. Clause 6 which you have been talking about is on revising the dependent parent/grandparent allowance. You should focus your discussion on the contents of the clause.

**MR ALBERT CHAN** (in Cantonese): Understood. Chairman, my explanation just now is meant to show that it is the irrationality in the basis that accounts for the irrationality found in part 3, that is, the dependent parent allowance. However, I accept the Chairman's opinion and I will not dwell on the first and second parts of the proposed amendments to the Schedule.

Since there is irrationality in the basis, therefore, the adjustment made to the dependent parent allowance shows all the more that the tax arrangement on families is incomprehensible, if that is what you would ask me. We do not understand why the Government is making this adjustment. Chairman, even if the dependent parent allowance is adjusted to \$40,000, it is still considered as too mean. When the allowance for dependent parents above the age of 60 is raised from the original \$38,000 to \$40,000, it can be regarded as a big joke. I have asked many times, what rationale does the Secretary have to make this adjustment? He has to explain why this upward adjustment of \$2,000 is enough. As the controller, he has to convince members of the public when he makes tax adjustments. He has to tell them the rationale for making the adjustments. Of course, the Secretary will just read from the script later and he will give no explanation. This makes the people think that the Government, if we put it bluntly, is acting in a rash and not sensible manner. Or it is just making a routine and small upward adjustment, which is better than not making any adjustments. Does the Secretary think that it is enough to spend \$40,000 a year to maintain one's parents? We all think that this is an insult.

Chairman, as regards the details in other areas, I do not think I will make any further comments. On the whole, the slight adjustments made in other areas show that the Government lacks any direction and logic and it does not care about the people's life.

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

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, during the Second Reading debate just now, I mentioned briefly that the increase in the dependent parent allowance from \$38,000 to \$40,000 is a very, very small favour. Does the Government think that only \$3,300 a month should be spent on providing for our parents who are aged over 60?

In fact, it is revealed by the statistics provided by an elderly rights organization that the monthly expenses of elderly persons exceed \$3,000, without taking into account housing expenses — the amount should definitely be higher if the elderly persons are to lead a decent or so-called acceptable life. Even if an elderly person does not need to buy clothes (I assume that only \$60 will be spent on clothes), he or she will still have to spend \$3,200 in total, including \$1,800 on meals and travelling expenses, \$160 on social activities, \$180 on fuel, \$500 on medical expenses, and \$400 on other expenses.

A survey conducted by the Oxfam has revealed that even a poor elderly person has to spend \$39,000 ... \$3,900 in living expenses, which is the result of dividing \$40,000 by 12. A sum of \$3,300 can absolutely not help the elderly maintain a decent or acceptable standard of living. We propose that the allowance for each dependent parent aged above 60 be increased to \$80,000, so taxpayers can spend \$6,500 a month on providing for their parents who are aged over 60. As the entire sum of expenses thus incurred is deductible, the policy of tax concessions can be used to encourage people to provide for their parents who are aged over 60.

During the Second Reading debate just now, Secretary Prof K C CHAN stated at the beginning of his speech that a comprehensive consultation was already conducted earlier on each tax relief (this was the first half of his remark), but tax reliefs have to be offered having regard to the Government's financial position and discriminatory treatment is unwarranted. However, I do not understand this. Will anyone protest against him for increasing the dependent parent allowance to help the elderly on the ground of wasting public coffers? What is wrong with giving the elderly a decent living? Meanwhile, he is requested to formulate long-term universal retirement protection, but certainly ... we have no idea when such protection can be provided. In the short term, however, the allowance can actually be increased on an annual basis — certainly,

he will say that the allowance can hardly be reduced after an increase. I think that the Government thinks in this way, too.

This is why the Government has disregarded the living conditions and actual circumstances year after year. It has merely increased the allowance slightly by several thousand dollars or \$2,000. If it really wants to encourage people to look after their parents, it can certainly adopt a two-pronged approach. During the Second Reading debate just now, I mentioned residential care homes for the elderly in my speech, too. However, we are now talking about providing for parents. If the Government really does not want the people to sign the "bad son statement", the reality should be reflected in tax concessions.

The allowance for each parent who is aged between 55 and 60, which is proposed to be increased from \$19,000 to \$20,000, is actually even lower and represents only a drop in the ocean. In fact, quite a number of young couples have to provide for their parents who are aged under 60 — I am not talking about early retirement for parents, but elderly ... it is very difficult for people aged 55 to look for a job. As at least \$3,000 has to be spent on meeting the monthly expenses on providing for a parent aged between 55 and 60, the allowance should be increased to at least \$40,000.

Chairman, I know that the dependent brother or dependent sister allowance, which is part of the dependent allowance, remains unchanged at \$33,000 without any increase. I would like to point out that this is unreasonable. Is it more costly to provide for an elderly person or a brother or sister? I believe Members know who has to buy more clothes, eat more, or do more shopping. People in this group certainly have to spend more. Furthermore, the main reason is that since most of the brothers and sisters of the taxpayers are still learning or studying, the latter have to meet the study expenses incurred by the former as well.

However, there has been no increase in this allowance since 2012. This is not in line with the actual circumstances because there have been increases in tuition fees, travelling expenses, living expenses, and so on. I think there is no need for me to quote the relevant figures. If the dependent brothers and sisters are aged under 18 and have to study in university, the total living expenses ... \$33,000 — a sum of less than \$3,000 can hardly cover all of their living expenses. Therefore, we propose that the allowance be substantially increased to \$66,000.

The child allowance, which is maintained at \$70,000 for each child, is still too low. Although the \$70,000 child allowance implies the Government's assumption that \$6,000 is a reasonable amount of expenses for providing for each child, under the present circumstances, middle-class families can hardly spend only \$6,000 a month on each child because of the substantial expenses incurred. Besides tuition fees — tuition fees are not high if their children study in government or subsidized schools — they have to meet expenses incurred by their children to participate in interest and tuition classes, learn musical instruments, and so on. As we all know, it is the most basic requirement for children to learn to play piano. Now, they have to learn to play one more musical instrument to enhance their competitive edge. I think I need not add anything further if their children are studying in kindergartens — the tuition fees for kindergartens are even higher than those for universities.

A survey has found that the monthly expenses of grass-roots children are as high as \$4,100. The latest report published by the Bauhinia Foundation has also revealed that, according to an estimate based on the inflation trend, the cost of raising a child in a middle-class household in Hong Kong until he or she graduates from university may reach \$5 million. In other words, it costs \$250,000 a year. Hence, we propose that the child allowance be increased to \$90,000, and children aged over 18 who are not studying but unemployed should be eligible for the allowance as well. Nowadays, there are actually many home-stayers who stay at home every day without going to school or work.

Likewise, the \$66,000 disabled dependent allowance is seriously inadequate because medical and meal expenses have to be taken into account in addition to the expenses borne by a carer to employ a helper to look after a disabled dependent — I think \$4,000 a month is already the minimum wage for a helper. According to the survey figures, at least \$10,000 has to be spent on looking after a person with disabilities. Hence, the disabled dependent allowance should be increased to \$100,000 to benefit more people.

Next, I would like to discuss clause 7, which covers mainly two Schedules, namely Schedule 31, which is related to transitional provisions relating to provisional salaries tax in respect of year of assessment 2014-2015, and Schedule 32, which is related to reduction of taxes for year of assessment 2013-2014. The largest problem in Schedule 31 concerns the time for lodging an application for holding over payment of provisional salaries tax on additional grounds. Under section 3(2) of Schedule 31, if the aggregate amount of the

residential care expenses paid or to be paid by a person or his or her spouse, not being a spouse living apart from the person, during the year of assessment 2014-2015, exceeds \$76,000 in respect of a parent or grandparent of the person, he or she may apply to the Commissioner to have the payment of the whole or part of the tax held over until that person is required to pay salaries tax for that year.

This amendment is made because members of the public may not necessarily know that the deduction ceiling for elderly residential care expenses for each eligible parent or grandparent has been increased from \$76,000 to \$80,000 when completing their tax returns. Therefore, they will be allowed to apply for holding over payment of tax prior to the formal assessment and then revise the deduction for elderly residential care expenses. However, the validity period for applying for holding over payment of provisional salaries tax is very strange. Under section 4 of Schedule 31, the application can only be made not later than 28 days before the day by which the provisional salaries tax is to be paid or 14 days after the date of the notice for payment of provisional salaries tax. We consider it unreasonable for the public to be required to apply for holding over payment of provisional salaries tax not later than 28 days before the day by which the provisional salaries tax is to be paid. The Government is absolutely capable of processing applications for holding over payment of provisional salaries tax a couple of days before the day by which the provisional salaries tax is to be paid. Hence, in the interest of those completing the tax returns — the period should be shortened to, for instance, three days to give the public more time to consider applying for holding over payment of provisional salaries tax on the ground that the amount of the residential care expenses has exceeded \$76,000.

Furthermore, the requirements in section 4(3)(a) and section 4(3)(b) of Schedule 31 are repetitive, and the wording is also tedious. It is stated in paragraph (a) that the application may be made not later than 28 days before the day by which the provisional salaries tax is to be paid but in paragraph (b) that the application may be made 14 days after the date of the notice for payment of provisional salaries tax under section 63C(6). What will happen if the due dates are not observed? As the payment due dates for provisional salaries tax are usually set one or two months rather than 14 days after the date of the notice, the entire period specified under paragraph (b) is already covered by the period specified under paragraph (a). Therefore, there is no need to retain paragraph (b).

Section 4(4) of Schedule 31 provides that "if the Commissioner is satisfied that it is appropriate to do so, the Commissioner may, either generally or in a particular case, extend the time within which the application may be made (局長如信納一般地或就個別個案延長提出申請的時限是適當的，可如此延長該期限). The word "一般地 (generally)" is relatively hard to understand because the word "地" rarely appears after the expression "一般". The Chinese expression "一般地", which means "generally" in English, is absolutely a literal translation. In fact, it can be translated as "under normal circumstances", which is easier to understand. In that case, it will read as "If the Commissioner is satisfied that it is appropriate to extend the time within which the application may be made either under normal circumstances or in a particular case, and if the time can be extended (局長如信納在通常情況下或就個別個案延長提出申請的時限是適當，如可延長該時限)", ... No, the sentence should read "extend the time within which the application may be made (可如此延長該期限)". I think that the expression "如此" as appearing in "可如此延長該期限" is redundant.

Lastly, section 4(6) of Schedule 31 provides that "the Commissioner must, by notice in writing, inform the applicant of the Commissioner's decision". However, the Commissioner is not required to, by notice in writing, inform the applicant of the Commissioner's decision within a certain period. In other words, the applicant might never be informed of the outcome of his or her application. I think that the Government should provide for a time limit and require the Commissioner to inform the applicant of the Commissioner's decision by notice in writing within a certain period, such as three months.

I so submit.

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

(No Member indicated a wish to speak)

(The Secretary for Financial Services and the Treasury indicated that he did not wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clauses 1 to 7 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Chi-chuen rose to claim a division.

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen has claimed a division. The division bell will ring for five minutes.

**CHAIRMAN** (in Cantonese): Will Members please proceed to vote.

**CHAIRMAN** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Prof Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Cyd HO, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr WONG Kwok-kin, Mr IP Kwok-him, Mrs Regina IP, Mr Alan LEONG, Mr Michael TIEN, Mr James TIEN, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr WU Chi-wai, Mr YIU Si-wing, Mr Gary FAN, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Miss Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok and Mr Tony TSE voted for the motion.

Mr Albert CHAN and Mr CHAN Chi-chuen voted against the motion.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that there were 48 Members present, 45 were in favour of the motion and two against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

### **INLAND REVENUE (AMENDMENT) BILL 2014**

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

Inland Revenue (Amendment) Bill 2014

has passed through Committee without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) Bill 2014 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Albert HO, Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Prof Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Cyd HO, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr WONG Kwok-kin, Mr IP Kwok-him, Mrs Regina IP, Mr Alan LEONG, Mr Michael TIEN, Mr James TIEN, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr WU Chi-wai, Mr YIU Si-wing, Mr Gary FAN, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Miss Alice MAK, Dr KWOK Ka-ki, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok and Mr Tony TSE voted for the motion.

Mr Albert CHAN and Mr CHAN Chi-chuen voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 51 Members present, 48 were in favour of the motion and two against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

**CLERK** (in Cantonese): Inland Revenue (Amendment) Bill 2014.

### **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. Two debates on motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, movers of the motions each may speak, including making a reply, for up to 15 minutes; and other Members each may speak for up to seven minutes. The mover of the second Member's motion has another five minutes to speak on the amendment; and the mover of the amendment to that motion may speak for up to 10 minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First Member's motion: The 4 June incident.

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

I now call upon Mr LEE Cheuk-yan to speak and move the motion.

### **THE 4 JUNE INCIDENT**

**MR LEE CHEUK-YAN** (in Cantonese): President, this year is the 25th anniversary of the 4 June incident. I solemnly move this motion on "The 4 June incident" in this Council. When I move this motion on "The 4 June incident" today, the 25th anniversary of the 4 June incident has already passed but in spite of this, at least I think it is very important for this motion to be put on the

record of this Council. What we have to put on record is that 25 years down the line, what is the attitude of all the Members in this Chamber towards the 4 June incident? This is indeed ...

(Dr LAM Tai-fai requested a headcount)

**PRESIDENT** (in Cantonese): Mr LEE, please sit down. Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, Ms Cyd HO switched on the illuminator of her mobile phone to light up the object she placed on the bench)

**PRESIDENT** (in Cantonese): Ms Cyd HO, I suggest that you do not switch on the light.

**MS CYD HO** (in Cantonese): I believe this speck of light does not disturb anyone.

**PRESIDENT** (in Cantonese): I am disturbed. Ms HO, we must draw a line. If I allow Members to give play to their creativity and turn on a light, it would be very difficult to maintain the bottom line which I think this Council should go by.

**MS CYD HO** (in Cantonese): President, even if I do not turn on the illuminator of my mobile phone, I can use this desk lamp instead.

**PRESIDENT** (in Cantonese): Ms HO, please switch off the light.

**MS CYD HO** (in Cantonese): President, do you allow me to use this device provided by the Legislative Council? This desk lamp of the Legislative Council is even brighter than the illuminator of my mobile phone.

**PRESIDENT** (in Cantonese): If any Member should adjust the desk lamp to an angle that the light shines on other Members, I will ask the Member to adjust the angle of the lamp. This has happened before. Please switch off the light.

**MS CYD HO** (in Cantonese): President, can you give a chance to this speck of light?

**PRESIDENT** (in Cantonese): Ms HO, I have already said it. Please switch off the light.

**MS CYD HO** (in Cantonese): I will not switch off this light.

**PRESIDENT** (in Cantonese): Ms HO, please do not make me rule that your conduct is grossly disorderly. Ms HO, let me say it once again. It is not necessary to light up the object you have placed on the bench. Please switch off the light.

**MS CYD HO** (in Cantonese): President, so many people had lit this speck of light in the Victoria Park. I would consider it utterly regrettable if you do not allow this speck of light to be lit here.

**PRESIDENT** (in Cantonese): Ms HO, let me say it once again. Please switch off the light.

(After the summoning bell had been rung, a number of Members returned to the Chamber but some Members did not return to their seats)

**PRESIDENT** (in Cantonese): Members please return to their seats.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan, please continue.

**MR LEE CHEUK-YAN** (in Cantonese): President, we move a motion on "The 4 June incident" in this solemn Chamber in the hope that we can put on record the position of the pro-establishment Members 25 years after the incident. For those who put up an advertisement to condemn the 4 June massacre back then, what will they do this year? Over the years, they have obviously been evading it, and they are still evading it now as they will not speak and do not wish to tell Hong Kong people what their current attitude is. But I believe the attitude of Hong Kong people cannot be clearer. This year, many people have asked me how we managed to endure all the hardships and persevere. Let me tell all Hong Kong people that they are what keeps us going. When we saw that 180 000 candles were lit in the Victoria Park, we knew clearly that even 25 years have passed, there were still 180 000 people filling up the Victoria Park and filling up Causeway Bay, and I was extremely touched by this. What I can see is that Hong Kong people have not forgotten, and we are still persevering. As "Uncle Wah" said, this is because we know that what we are facing is a most relentless tyrannical rule. Twenty-five years have passed. Although we still cannot make this regime "kneel down" and vindicate the 4 June incident, we do believe that so long as we persevere, democracy will ultimately win.

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

When I was making preparations for the 25th anniversary activities this year, I actually did not think much about the fact that 25 years have passed. It was because on the one hand, I was busy urging everyone to attend the assembly for the 25th anniversary of the 4 June incident, and on the other, I was preparing for the opening of the June 4th Museum, and we were also facing a series of work arising from the protest, the lawsuit, and so on. But at a certain point in time I suddenly had this feeling that 25 years were gone, and that was during the procession on 1 June. On that day I saw some "veterans". They are "veterans" who have accompanied us for 25 years and who always come forth every year to help chanting slogans and leading the procession. When I saw them I could not but burst into tears because at that moment I could truly feel that it had been 25 years. I miss "Uncle Wah" too. He has been with us all the time. Although he was not with us at the 4 June candlelight vigil this year, what I do believe is that he must feel gratified when he saw from Heaven that over 180 000 people were filling up the Victoria Park. Everyone can see that Hong Kong people have not forgotten, and I feel so proud of Hong Kong people.

Over the years we have chanted many slogans. One of the slogans well-liked by most people is "Do not want to remember, but dare not forget". Whenever we think of the 4 June incident, it is so true that we do not want to remember, because it is a painful memory and because the nature of a ruling regime is laid bare before our eyes. This ruling regime can outrageously fire shots in order to maintain its own power. We do not want to remember those scenes of the massacre. We do not want to remember scenes of the square drenched in blood and dead bodies scattered everywhere. We certainly do not want to remember, but the whole slogan is "Do not want to remember, but dare not forget". How true is "dare not forget". None of us dares forget. We must remember the sacrifices of the martyrs of democracy. We must remember what students in Beijing had paid for democracy. We dare not forget.

To the people, I think it is a case of "Do not want to remember, but dare not forget". But to the communist rule in China, it is "Not allowed to remember, but dare not forget". They are not allowed to remember. Before the 25th anniversary of the 4 June incident we could see that this ruling regime had cordoned off the entire China, not allowing people to mention the 4 June incident. They do this all the time and they certainly do the same on the 25th anniversary of the incident. As we all know, no result will be yielded for attempts to search "4 June" on the Internet. Therefore, in order to bypass Internet censorship, some people in the Mainland call the June 4th Museum the "535" or "May 35th" Museum. The objective is to bypass Internet censorship.

Moreover, as we can see, the Tiananmen Mothers are still deprived of the right to mourn their children today. Whenever they go to mourn their children, they are followed and watched by public security officers, and they cannot mourn their children freely. This year, this ruling regime even disallowed DING Zilin from returning to Beijing and made her stay in Wuxi. So, we can see that this ruling regime has even suppressed the families of the victims and the Tiananmen Mothers, not allowing them to mourn their children.

This year, five people were arrested after holding a seminar on the 4 June incident. They are PU Zhiqiang, XU Youyu, HAO Jian, HU Shigen and LIU Di. PU Zhiqiang is still under arrest and detained for the charge of picking quarrels and provoking troubles. Holding a seminar on the 4 June incident is considered as picking quarrels and provoking troubles. This is why we said that this ruling regime does not allow people to remember and it wants to completely ban all the memory of the 4 June incident. It wants its people to be

brainwashed. It does not allow people to have any memory of the incident, and it wants to suppress any discussion on it.

But while this ruling regime does not allow people to remember, it still dares not forget, fearing that a single spark can start a prairie fire and so, from the lesson that it has learnt, it must impose a total ban on all the human rights activists, dissidents and different voices. During the past year, the actions taken to maintain stability and suppress human rights can be said to be most serious over the years. Think about this: The advocacy of the New Citizens Movement is actually the same as the direction proposed by XI Jinping, namely, opposing corruption and calling on the officials to declare their assets. This is only a modest demand but in the end, the entire New Citizens Movement was banned and XU Zhiyong was even sentenced to four years of imprisonment.

Recently there have been incidents of suppression of the freedom of press. WU Wei, who formerly worked in *South China Morning Post*, is arrested, and GAO Yu is alleged to have leaked state secrets, but all she has leaked is a document accessible to everyone and that is, party document No. 9, which sets out the seven perils that must be resisted. The contents have long been circulated extensively but still, they did not let her go but arrested her as a warning to others in an attempt to intimidate and threaten the press sector. They continue to suppress human rights by making arrests frantically, arbitrarily and unscrupulously. We really dare not forget after seeing this. But I really wish to ask: What exactly is XI Jinping afraid of? If he thinks that he is doing a very good job ... Some people opined that when the economy of China is so good now, why should we still talk about the 4 June incident? If these views about the Chinese economy having come a long way and the people's living having been improved are true, what is XI Jinping afraid of? Why should he suppress even the minor views and activities of the human rights activists? This ruling regime has just arrested TANG Jingling, WANG Qingying and YUAN Xinting. They are also alleged to have committed the offence of inciting subversion of state power. What exactly are they afraid of? Why are they so afraid of the people?

So, I think Members can see that the suppression that we are talking about now is not the suppression of 25 years ago, but the suppression which is going on today, as suppression has never ceased over the last 25 years. Certainly, we have never ceased to fight against it for the last 25 years, and we will keep fighting. This year, before the anniversary of the 4 June incident, there had been a lot of discussions and debates and particularly, an organization known as "6.4

Truth" challenged us, saying that there were also fatalities in the army and questioning why the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China (the Alliance) does not mention this point. I think this is so laughable. If they wish to find out the truth of the 4 June incident ... We wish to find out the truth too, but the only party who has the truth but is unwilling to make it public is the Communist Party of China (CPC). If we want to know the truth, we have to make the CPC carry out an investigation and reveal the truth. This has always been a demand of the Alliance and a demand of the Tiananmen Mothers campaign. So, if Members wish to find out the truth, they should ask the CPC.

I remember that there was once when Leticia LEE had a conversation with me in a radio programme. She said that we should not spend money on organizing the June 4th Museum and instead, we should spend money on conducting studies to look into the truth of the 4 June incident. I thought to myself at the time: How can we possibly do it? How can we ask the CPC for party records? Does she think that she can obtain them? This is downright most ridiculous. There are also other views. For example, Patrick KO said that we only emphasized the deaths of the civilians and questioned why we did not mention the deaths in the army. He said that we emphasized the firing of shots by the army and questioned why we did not mention that the shots were fired when a curfew was in force. Then I asked him whether he meant that the army can fire shots in times of a curfew. If so, once a curfew is enforced and if the people oppose it and continue to fight for their cause, can the army fire shots in such circumstance? This is so arbitrary. If there are people who think that the ruling regime can fire shots at will, I would really think that these people are cold-blooded and they are speaking against their conscience.

As Members can see, there are many other alternative views this year. I really wish to ask those people who have put forward alternative views this: What exactly are the facts and where is their conscience? Of course, there is also the view criticizing the Alliance for doing everything as a routine. I think I need to briefly explain this. What is the problem with carrying out work as a routine? If this a way to show our feelings, why can we not continue to show our feelings? Certainly, the Alliance will continuously listen to views and make improvement but on some issues, we will insist. We will definitely persevere with our feelings. We will definitely persevere with the lighting of candles. If we can express everyone's feelings through this routine, we will persevere with it too.

Moreover, there is the view that we should not demand the vindication of the 4 June incident. I wish to reiterate here that we are not begging the ruling regime to vindicate it, but we are targeting this ruling regime and demanding that this regime admits the crime that it committed in history and pursues responsibility. So, demanding the vindication of the incident is one of the steps taken to pursue responsibility for the 4 June massacre. This is like demanding the release of political prisoners. When we demand the release of political prisoners, is it tantamount to recognizing the ruling regime? We do not see it as a question of whether or not we recognize the ruling regime. The point is that once the ruling regime has committed bloody atrocities, we must demand that this ruling regime assumes responsibility and apologizes to the people, makes public the truth and pursues responsibility for the 4 June massacre.

Thank you, Deputy President.

**Mr LEE Cheuk-yan moved the following motion: (Translation)**

"That this Council urges that: the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEE Cheuk-yan be passed.

**MR JAMES TIEN** (in Cantonese): Deputy President, at this time every year, a motion on the 4 June incident will be moved for debate in this Council. While this has been the case for many years, the Liberal Party has never belittled or evaded this topic as we have continued to express our long-standing position with a solemn and serious attitude. We will do the same this year.

Deputy President, this year is the 25th anniversary of the 4 June incident. Although many years have passed, I believe a lot of people still agree that the 4 June incident is a tragedy, and I deeply believe that every Chinese who loves his country does not hope to see the recurrence of a similar tragedy. But no doubt, the full picture has not yet been revealed regarding the ins and outs of the whole incident, as well as why it ended up in serious bloodshed. Many people have different explanations but anyway, the Liberal Party always believes that

history will pass a fair judgment. We should not just hold onto the past but should continue to look forward, hoping that the country will have better and better development. In fact, over the past two or three decades, we can see that there have been significant developments and changes in the country. The living of the people has improved and the overall national strength has been greatly enhanced.

At present, the development of the world economy is slow and the pace of economic recovery in Europe and the United States is far from satisfactory. According to the information of the International Monetary Fund (IMF), the global economic growth was only 2.9% last year. In view of the prevalence of an economic downturn, despite a slightly slower economic growth in China, the Chinese economy still recorded a growth of 7.5%, which is indeed quite good. This has significantly improved the standard of living and the quality of education, healthcare service and housing for all the people in the country, and the living of the people now is far better than that 25 years ago. In the meantime, the imports and exports of China totalled US\$4,160 billion last year, representing an increase of 7.6% and surpassing for the first time the total import and export value of US\$3,880 of the United States. China has now become the world's largest trading nation. In fact, other than the economy, the country has also seen significant achievements in various aspects, such as infrastructure, research and development, military strength, space technology, and so on. This shows that the consolidated power of our country has been increasing and attracting attention from all parts the world.

Moreover, since the fifth generation of Chinese state leaders came to power, a myriad of new reforms to the administration of the Government have been introduced. The Central Authorities do not only emphasize thriftiness and oppose extravagant spending, they have even adopted vigorous measures to curb corruption and insisted that they will be going after both tigers and flies, thus commanding wide public support. Over the past year, we have seen from time to time news of "big tigers" being targeted and hunted down in the Mainland. It has been reported that at least a dozen or so officials at the provincial and ministerial level are currently put under investigation by the Central Commission for Discipline Inspection, and those under investigation even include members of the Central Committee. From this we can see the continuous advancement made by the country in the economic, political and social aspects, and certainly there will still be ample room for development in the future.

Deputy President, while it has been a quarter of a century since the occurrence of the 4 June incident, we know that many Hong Kong people still keep it in their mind and they, therefore, have doubts and mistrust in the Central Government. I must stress that the Liberal Party is not asking the people to forget the 4 June incident. We only hope that we can put it down a bit and try to open the door to communication with the Central Authorities through more contacts and understanding.

Deputy President, this year is also a crucial year for the constitutional reform in Hong Kong, and we very much need various parties and groupings in the Legislative Council and various sectors of the community to work in concert to forge a consensus with an attitude of agreeing to disagree. Disregarding whether or not there is a gap between the proposal to be ultimately approved and the ideal proposal in our mind, we very much hope that all sides can put aside their prejudices for the time being and attach the greatest importance to the overall interest of Hong Kong by supporting the election of the Chief Executive by universal suffrage in 2017, because making one step forward is always better than marking time.

Deputy President, I so submit. The Liberal Party will, as in the past, abstain in the vote on the motion.

**MR CHEUNG KWOK-CHE** (in Cantonese): Deputy President, the 180 000 candles lit in the Victoria Park this year are vivid before our eyes.

For the Chinese people, 4 June 1989 is the saddest day. I think each and every Member in this Chamber also shared the same feelings back in 1989: "Feeling sad for China, angry at the massacre, and proud for the students". Now that it is 2014, and 25 years have passed. Time changes, and so do people's hearts. Many Members or officials who are or are not in this Chamber or the Chief Executive may no longer see that their names were among the signatures on newspapers that day. However, it does not matter if you have forgotten, because history will remember.

With the passage of time, some of the many pro-democracy activists in the 4 June incident are in exile overseas, unable to return to the country to reunite with their families; some are under house arrest by the CPC and subject to

political exclusion and unreasonable surveillance, living in the lowest strata of society; and many others have already left us with deep regrets for being unable to see the vindication of the incident. I am 60 years old now, and I belong to the older generation who witnessed the 4 June massacre. People of my generation still believe that we will live to see redress of the injustice done to those students and people killed.

Some people said that this is but a dream, wishing thinking. This, I beg to differ. Scenes of the brutal crackdown and tanks crushing unarmed civilians remain clear and distinct in my mind, and the sound of shooting still rings in my ears. Now that 25 years have passed, our hearts have not changed with the passage of time. In the 4 June candlelight vigils over the past few years, we saw the younger generation coming forward to take up the baton. Thanks to the efforts of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China and the perseverance of the people, the June 4th Museum has been set up in the face of suppression and with each cent and dollar donated by the people. The torch of democracy is truly passing on from one generation to the next. I see that people still have aspirations, and I see that justice still prevails. Therefore, I believe that this barbaric, bloody, violent tragedy caused by autocracy will certainly be vindicated one day. In recent months, human rights activists, such as PU Zhiqiang, XU Zhiyong and TANG Jingling, have been arrested and sentenced. This is telling us once again that if the Chinese Government does not face up to this incident in history, there will not be genuine democracy and freedom in China; and tragedies of people being suppressed by an autocratic regime in a barbaric, bloody and violent manner will recur again and again, while corruption and depravity will keep on pushing society to the abyss of sufferings.

In the past 25 years, the autocratic regime has never relaxed its relentless efforts to weaken the Hong Kong people's insistence on vindication of the 4 June incident. The education authorities in Hong Kong have also made deliberate efforts to water down this pro-democratic movement, in an attempt to fool the next generation and prevent them from knowing the truth. But obviously they will not succeed, because conscience will never be fooled.

In retrospect, our campaign for the vindication of the 4 June incident has been subjected to internal and external attacks. The road is difficult, but we have not stopped despite the powerful regime's suppression, neither has the flame for the vindication of the 4 June incident been put out under the suppression of

the autocratic regime. This 4 June candlelight of democracy will definitely be passed on from one generation to the next because our young people have already taken up the baton.

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

**MS CYD HO** (in Cantonese): Deputy President, just now there was a speck of light here but it disappeared because of some rules. However, like many other facts, this speck of light will not vanish just because it is wiped out. Rather, it will remain in our minds and every year, we will find a lot more candlelight with us in the Victoria Park. Every year we would talk about remembering and forgetting. Why? Because the truth of the incident can really be buried and history can be forgotten and hence, mistakes will be repeated.

I have with me this book entitled "回歸的歷程" (the road of reunification) by LI Hou. In the book, the year 1989 is mentioned but this is his description: In 1989, a political disturbance occurred in Beijing and Hong Kong was greatly affected. There are only these two lines. For a student democracy movement which swept the country like a surging tide, it is described in only two lines in an important book on the handover of the sovereignty of Hong Kong. This is why I said that the truth can really be buried. This is also why we must talk about it every year and bring it up every year, and insist on organizing a candlelight vigil in the Victoria Park every year. Because the media must report on and record these actions and hence, the facts will not be buried.

In 1989, the students organized a pro-democracy movement to denounce corruption and depravity. They were opposing profiteering at the time. What is profiteering? Let me provide some information here, so that the "post-80s" and "post-90s" will know what it is. Profiteering means that senior officials make use of their privileges to purchase goods at prices lower than the market prices and then make use of their powers to sell the goods at high prices. This is almost like making profits without any capital. These unproductive people abused their powers to reap extortionate gains. As a result, the people were made to pay for the price and driven into abject poverty. Deputy President, there was the so-called "white strip of paper" at that time, which is an informal IOU note or a paper record obtained by migrant workers who worked in the urban areas after they had deposited money in a bank. But it turned out that they could

not withdraw money with these paper records in their hometowns. This is similar to wage earners in Hong Kong making contributions to the Mandatory Provident Fund schemes but finding out only upon retirement that a large part of their contributions has been eaten up by the fund managers. These two situations are more or less the same. Back then, the students were not involved in any personal interest, and they came forth to criticize the corrupt practices of the corrupt officials, but the then ruling regime could not accommodate these well-intentioned criticisms and eventually suppressed the movement by force. The greater the powers, the more rampant corruption will be.

Some people said that had the authorities not suppressed the movement back then, the economic prosperity in the following two decades or so would not have been possible. But let us look back on the past two decades or so. What exactly has happened? It is true that the GDP is higher, but more wealth and powers have given rise to more corruption and worse still, structural corruption. In order to protect their own interests and ensure that they will not lose their fortunes, lives and assets when their acts are exposed by other people, these corruption networks have, therefore, used even greater powers to suppress their opponents, trying to stop people from criticizing the social evils and to stop people from revealing their corrupt practices. They have even suppressed complainants who are aggrieved victims themselves, such as HU Jia who is concerned about farmers contracting AIDS after selling their blood and ZHAO Lianhai whose son is a victim of the contaminated infant formula containing melamine. In fact, the CPC is now facing the same problem as that of the ruling party during the struggle between Kuomintang and the CPC. If it takes anti-corruption actions, the Party will be doomed; but if it does not curb corruption, the country will be doomed.

With Beijing officials moving southward to Hong Kong, the phenomenon of corruption in the Mainland has caused corruption to revive in Hong Kong. Former Chief Executive Donald TSANG accepted benefits; the incumbent Chief Executive, LEUNG Chun-ying, is found to have unauthorized building works (UBWs); and Secretary for Development Paul CHAN still has not disclosed to the public his conflict of interest in the North East New Territories development. All these are cases of corruption currently taking place in Hong Kong. Even the former Commissioner of the Independent Commission Against Corruption, Timothy TONG, is suspected to have committed acts of corruption.

Therefore, we commemorate the 4 June incident today not only to mourn those people killed but really because we feel the pain deep down in our hearts. It is because today, Hong Kong faces the same ruling regime of China as that in 1989. It is because this is an alliance of government and business born of connivance by their greed for powers, greed for wealth, and greed for benefits, resulting in the enormous wealth gap. In order to curb these corrupt practices, it is, in fact, like asking a tiger for its hide to rely on their own initiative to exercise self-discipline. As we can see, what kind of anti-corruption actions are being taken in the Mainland now? They are intended only as a means to attack the opponents of the ruling regime. The situation in Hong Kong is just the same. The court case of Henry TANG's UBWs is over, but what about the UBWs of LEUNG Chun-ying? He has still eluded the dragnet of the law.

We Hong Kong people oppose corruption not as a means of political suppression. What we want is a genuine crackdown on corruption. This is why we must fight for a democratic political system and an independent judicial system. This is why we must make the Government accountable and what is more, we must have freedom of the press and of speech, in order for all the people to exercise monitoring. But in Beijing there is no democracy, no judicial independence and no freedom of the press and of speech. The core leadership of the new generation is actually just providing an opportunity for the next corrupt clique to replace the previous one. Now, they are arresting reporters; next, they are going to arrest the lawyers representing the reporters and then they will arrest the lawyers representing those lawyers. The core leadership of the new generation is even more high-handed and even more undesirable than the administration under HU and WEN. For the so-called "democratic life meetings" that they have invented recently, what difference is there from the past system of criticizing and denouncing people, whereby people openly confessed their own mistakes in order to escape punishment and were deprived of the freedom to remain silent?

Deputy President, we must start from Hong Kong, and we must fight for a democratic political system. If Hong Kong people wish to have a choice in the election of the Chief Executive and if they wish to curb corruption effectively, we must come forth to join the rally on 1 July, in order to speak up loudly for Hong Kong and for China when we still have a chance to do so. Thank you, Deputy President.

**DR KWOK KA-KI** (in Cantonese): Deputy President, this year marks the 25th anniversary of the 4 June incident. I believe no Hong Kong people will forget all that happened back in that year.

In front of the camera and television, we witnessed with our own eyes that the people on Changan Street were driven away and also hurt and killed by tanks and bullets. We will not forget the fact that YUAN Mu and many senior officials subsequently lied with eyes wide open and infuriated all Hong Kong people. The 4 June incident has linked the hearts of the people in Mainland China with those of Hong Kong people. It is an important bridge; it is also an important incident which clearly reflects that the people of both places have the same blood flowing in their veins. From the beginning of the 4 June incident till its ending as a tragedy, Hong Kong people had all along been taking part in it. At that time we supported Mr LEE Cheuk-yan who personally brought the donations made by Hong Kong people to the Mainland. We felt that it was an honour to support the pro-democracy movement in the Mainland. We have no regret at all with what we did back then because we can see that 25 years down the line ... Mr James TIEN cited a lot of figures earlier, including the Gross Domestic Product of the Mainland. But we would like to cite another figure which Members may know. It has been reported that senior officials in the Mainland have US\$3,000 billion in the British Virgin Islands. I have no idea whether this kind of reports has to do with the incident of the attack of Kevin LAU, but these figures are actually no novelty. They show that the corruption that we saw 25 years ago has not disappeared and worse still, corruption in Mainland China has become even more obvious, more institutionalized and more rampant nowadays.

Recently, Members may have seen on the Internet the situation of the Mainland's "affluent second generation". In Canada, there is a documentary showing how a person from the "affluent second generation" had, in Vancouver, squandered the money gained by this person's parents from corruption in the Mainland. When many Chinese people are living in poverty miserably and many children do not even have shoes to put on or cannot even afford to go to school, and when many people who are sick cannot get any medical treatment, many of these affluent offspring of senior officials are driving luxurious sports cars and drinking top-class wine and champagne in the United States, Canada, Australia, and the United Kingdom, squandering the ill-gotten money obtained by their parents through corruption. This is what our Motherland is like.

This year is the 25th anniversary of the 4 June incident. I remember that XI Jinping visited Germany some time ago. He initially intended to visit the Holocaust Memorial but he eventually did not make it because the German Government did not give him a chance to do so in order not to embarrass Japan. But he still took the opportunity to make criticisms, stating that a nation or a country that forgets history does not have a future. I remember this line very well. I think he was saying this to insinuate or even criticize that many years after the War, Japan has still failed to face its mistakes; Japan could not and has not apologized to all the people in Asia and other countries affected by it. However, is the CPC any better than Japan? Over the years, the CPC has witnessed so many facts, including the massacre in 1989. So has it not also forgotten everything?

In 2001, when celebrating the 88th birthday of his father, XI Zhongxun, XI Jinping said that he must learn from the lofty qualities of his father. He said that his father was honest and loyal and had never taken reprisals against anyone in his life. He said that his father had insisted on not telling lies and had been consistent in upholding this principle, adding that he must learn from his father and refrain from telling lies. However, he has spared no effort in telling lies since he took power. Now that when he is faced with 1989 and when he is faced with the 4 June incident, not only has he failed to discharge his responsibility by vindicating the incident, he has even stepped up measures to arbitrarily arrest people in Beijing and other places. It has been reported that in 1989 when HU Yaobang was criticized and denounced, XI Zhongxun had banged on the table to stop other veterans from attacking HU Yaobang. When ZHAO Ziyang died, XI Jinping's mother, QI Xin, also sent a wreath to ZHAO's family. This was something that not many people dared to do at that time because everyone knew that it was politically incorrect. His parents had felt much aggrieved and yet, they still had the courage to speak with conscience and act with conscience at such a time. Today, XI Jinping has failed to live up to the expectation of Chinese people. He has also failed to live up to the expectation of his parents.

In the series of arrests made just before the 25th anniversary of the 4 June incident, PU Zhiqiang, XU Zhiyong, and the five activists including famous reporter, GAO Yu, XU Youyu, HAO Jian, HU Shigen, and so on, were arrested. But I believe these arrests serve to achieve little effect, because the Chinese people and Hong Kong people are the same in that we will only become tougher and tougher in the face of a powerful regime. So, on 1 July this year, and in the

Occupy Central movement to be held, we must hold onto this quality and say to the high-handed regime, "We will never yield".

With these remarks, I support the motion on "The 4 June incident".

**DR FERNANDO CHEUNG** (in Cantonese): This year is the 25th anniversary of the 4 June incident. As Dr KWOK Ka-ki said just now, during his recent visit to Germany our highest leader, XI Jinping, went so far as to say that a country must face history and respect history and that a country or a nation that does not face its history will have no future. This year, on the 25th anniversary of the 4 June incident, when our state leader could make these remarks in another country, I really do not know if he has any sense of shame. China precisely refuses to face its history and refuses to face this tragic incident in which it had brutally killed its own children. Since China even refuses to face it, how can it possibly learn a lesson?

Today, many people in Hong Kong are saying that society is polarized as many people in the democratic camp have become more and more radical. But how radical are they? In this world, is there anything more radical than a state machinery massacring its own people? In this world, is there anyone more radical than the state leaders ordering the army to massacre unarmed university students? Mr James TIEN of the Liberal Party said earlier that this is a sad, tragic incident but there is no way for us to probe into the causes. At least he stayed in the Chamber to give a speech. Look at this place now. On that side of the pro-establishment camp the seats are almost empty as only this lonely Mr Martin LIAO is here. Have they ever faced it? Like "Grandpa", they have been evading it. Has XI Jinping faced it? Has the CPC faced it? How could this ruling regime do such cold-blooded evils? This is downright a disgrace in human history, exposing to the full the evil nature of human beings. Has it ever faced history?

At the 4 June vigil this year, a human rights lawyer, TENG Biao, was invited to give a marvellous speech. Regrettably, I could not hear it because I was manning a booth outside the venue. But I read his speech in detail later and I was deeply touched, and I would like to put forth his views through this platform here. He said: "Those who died on June 4th died for me, and died for each one of us, the survivors. In other words, their death lives on in our life. Without realizing this, we will not be able to understand ourselves and the China

we are living in today. Therefore we are obliged to remember that massacre, we are obliged to demand truth and justice, and we are obliged to carry the torches of those who fell down too soon." This is so important. It is true that those who died on 4 June died for us, because what they were fighting for is what we are fighting for, and we will pass it on from one generation to the next, and we will make relentless efforts to carry on with the fight.

TENG Biao added, "I must tell the whole world: Twenty-five years have passed, but the massacre did not stop at 1989. The killing, in the name of a political 'campaign', in the name of law, in the name of stability maintenance, in the name of state unification, has never stopped.

"The tank man, WANG Weilin, evaporated from the earth; more 'WANG Weilins' have been sentenced to death. From the execution of the so-called June 4th 'hoodlums' to petitioners and prisoners who died in prisons and in all manner of black jails; from Tibetans who braved snow-capped mountains to flee to Uighur women who protested peacefully; from Falungong practitioners to citizens rejecting forced demolitions; from (citizens protesting against pollution) to pregnant women rejecting forced abortions; from SUN Zhigang, LI Hong, LI Wangyang to XIA Junfeng, CAO Shunli and Goshul LOBSANG. The list goes on.

"The suppression has never stopped for the last 25 years. MIAO Deshun is a June 4th-related political prisoner. He has been imprisoned for 25 years now, and he is still serving time in prison where he is often subjected to beatings and solitary confinement. Our lives have the suffering of 1989 in them. Every day there are people who lose their freedom for seeking freedom, from WANG Dan, CHEN Ziming to GAO Zhisheng and LIU Xiaobo, from QIN Yongmin, LIU Xianbin, to Ilham TOHTI and XU Zhiyong.

"Since last March, over 300 human rights defenders have been arrested. The CPC has escalated its suppression of civil society from the stability-control model to the eradication model. They arrested journalists, then the journalists who spoke out for the arrested journalists, then the lawyers who defended the journalists, and then the defence lawyers who defended the lawyers who defended the journalists. But as Hong Kong people have avowed: 'You can't kill us all'<sup>1</sup>;

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<sup>1</sup> < <http://chinachange.org> >

'If we do not come forth today, we will not be able to come forth tomorrow!' and as LI Wangyang said before his death, 'I will not turn back even if I will risk my head!'" These are the main points of TENG Biao's speech.

I hope that our state leaders and Hong Kong people will face history. History continues, and the constitutional reform will come next. We are now facing the White Paper, and we are facing round after round of suppression. Hong Kong people must come forth. Hong Kong and China are inter-dependent. While human rights activists from the Mainland have come to give us their encouragement and thanks, we also thank them for fighting on for us. Those who died on 4 June died for us. In our life their death lives on. We must continue to commemorate the 4 June incident. The 4 June incident must not be forgotten.

**DR HELENA WONG** (in Cantonese): It has been a quarter of a century since the occurrence of the 4 June incident. Every year, Members from the pan-democratic camp would move a motion debate in this Council. Yet today, the camera may as well pan the seats of Members of the pro-establishment camp. They have left the Chamber already, leaving only one Member sitting at ease as some sort of representation. I would like to express my gratitude to Mr LIAO.

Why do Members of the pro-establishment camp have to leave the Chamber? Do they fear that if they stay in this Chamber they may be mistaken as supporters of vindication of the 4 June incident? Or have they been instructed by the Central Government that they are prohibited from attending the debate today? At the candlelight vigil of the 25th anniversary of the 4 June incident, 180 000 people gathered at the Victoria Park. There was a sea of candlelight, each candlelight was comparable to a drop of tear, and it was really touching. The people of Hong Kong have not forgotten the tragedy that occurred at Tiananmen Square and Changan Avenue in Beijing 25 years ago, where the CPC suppressed the pro-democracy movement at the time with military force. It was a patriotic democratic movement. Back then, the students were unarmed, and students standing in the street and using their bodies to block the tanks were also unarmed. Many academics who had studied the pro-democracy movement in 1989 even pointed out that back then, no crime was committed in Tiananmen Square and even Beijing as a whole, even the pick-pockets had stopped "working", for people were touched deeply by the movement. A group of young students, workers and some unnamed persons had come forward for only one

purpose. At the beginning, they did not aim at overturning the CPC, and no one opposed communism or socialism. They were only making very humble requests under the banner of patriotism. They wished to have direct dialogue with State leaders, and they wished that the State would face squarely the various problems, including corruption, inflation and official profiteering, that had emerged in the course of reform and opening up of the country. They also urged for reform for a pro-democratic system and reform in education. At the same time, they raised concern about the extremely disgraceful pay of teachers. All these requests were humble aspirations. Regrettably, the higher echelon of the CPC eventually decided to use military force to clear the scene.

It has been many years since the incident took place, yet we have not forgotten it. This is the collective memory of Hong Kong people, even though some people attempt to wipe it away. This year, the Victoria Park was lit up by a sea of candlelight, yet at Tin Hau Station outside the Victoria Park, we saw a group claiming to love Hong Kong having staged a road exhibition to promote some stories opposite to our collective memory. They played videos to claim that on 4 June 1989 at Tiananmen Square, the People's Liberation Army had not killed anyone, there was no injury or casualty, and student leaders had said they had left the Square safely. The group even advocated that had not the CPC been resolute to intervene and stop the movement, China would not have created the economic miracle in the past 25 years. These remarks send a chill down my spine.

Honestly, today, we cannot be sure about how many people had been injured and killed at Tiananmen Square in Beijing 25 years ago. But how dare they say that no one had been injured or killed and all the students had left the scene safely. Besides, their remark has not ruled out injuries and casualties in places in the vicinity of Tiananmen Square. Today, we request vindication of the 4 June incident for we want a thorough investigation. We have so many eyewitnesses who saw how many had been killed in blocking the tanks and by stray bullets in Changan Avenue 25 years ago. According to the testimonies of people responsible for rescue work at hospitals back then, the CPC had been using "Dumdum bullets" back then, a type of bullets which had been prohibited internationally and would explode in the human body. This type of bullets will inflict an extremely large wound, and once shot, the person will die. Would the video played by the "Love Hong Kong group" outside the Victoria Park wipe away all the bloodshed? Even if no one was injured or killed in the Square, what about Changan Avenue?

What about the Tiananmen Mothers? They are extremely forlorn. The injustice they have been bearing has not yet been redressed to date. Why do they have to make up stories to say that their sons were killed in Tiananmen Square or nearby streets back then? I think no parent will make up such a story. The children of these mothers were killed 25 years ago, on 4 June or the day before and after that. Their statements are testimony. Why do we have to debate this issue every year in the legislature? For if we do not give a clear account of the history, some people will alter it secretly, and they will distort and cover up the history and even fabricate a different story. On the one hand, we are proud of the people of Hong Kong, yet on the other, we despise the action and behaviour of a small number of people and we have to condemn them.

Deputy President, when we discuss the 4 June incident this year, we earnestly hope that people will not only be concerned about the democracy prospect of Hong Kong but also that of China. If there is no democracy in China, the road to "genuine universal suffrage" in Hong Kong will be rough and tumble. However, it is impossible for us to wait till democracy is established in China to start striving for democracy in Hong Kong. Therefore, I hope officials of the Central Authorities will respect the aspiration of Hong Kong people in striving for "genuine universal suffrage". Hope to see you taking to the streets on 1 July.

**MR GARY FAN** (in Cantonese): This year marks the 25th anniversary of the 4 June incident. It has been a quarter of a century. Back then, hundred of thousands of Chinese gathered at Tiananmen Square to protest against corruption and depravity, and to strive for democracy and freedom. However, on that day, the 4th of June, the CPC suppressed the movement and took away the lives of many young people. Those young people were in the prime of their life. They had not enjoyed their youth, they had not finished their studies, and they had not fallen in love, but in the face of the tanks and the fire of machine guns, they did not have the opportunity to wait for such experience, they left, they lost their lives. It has been 25 years since the occurrence of the 4 June incident. However, the problems of corruption and depravity, infringement of human rights and civil rights in China today have gotten worse in comparison with the situation in 1989.

Deputy President, in January this year, the survey report published by the International Consortium of Investigative Journalists disclosed that incumbent and former leaders of the CPC, including the family members and relatives of XI

Jinping, DENG Xiaoping and HU Jintao, had established offshore companies in the tax haven, British Virgin Islands, and hoarded assets of colossal amounts. I think the information disclosed is only the tip of the iceberg.

We have come across cases in the daily news reports that a junior official at the village level in the Mainland may have possessed tens of million dollars, and some may even possess assets of over hundreds of billion dollars in value. We know from this phenomenon that the corruption of the CPC has penetrated to as deep as the bone marrow. Since the reform and opening up of the country, it has been disclosed in different news reports that power abuse, corruption and transfer of money to overseas places by government officials of the CPC have involved close to \$1,000 billion or even \$10,000 billion. Honourable Members, these are not cold figures. They represent the lives of individuals of flesh and blood, numerous broken families and the predicament to be encountered by many young people in future. These figures will make a country hollow and ruin the bloodline of a nation.

Some time ago, news stories about Foxconn's workers committing suicide came in a row. Since the reform and opening up, China has become a large-scale "blood and sweat factory". As for the money made by the grass-root workers toiling sweat and blood in these "blood and sweat factories", a large part has been pocketed by the privileged class.

Deputy President, after the 4 June incident, the corruption and depravity problem of Chinese government officials has deteriorated, whereas the protection of human rights and promotion of democracy and freedom have seen no improvement at all. LI Wangyang, a person with whom we are familiar, had been imprisoned for 22 years for supporting the 4 June incident. Upon release, he had become blind, deaf and severely disabled because of the torture he had suffered. However, after release as an old man, precisely because he had given an interview about the 4 June pro-democracy movement, he was eventually "suicided". His body was cremated by the CPC without the permission of his families. LIU Xiaobo was arrested in 2008 for drafting the Charter 08, and he was sentenced for 11 years' imprisonment for the offence of inciting subversion of state power. It turns out that striving for political reform of a country is tantamount to inciting subversion of state power. Moreover, there was the case of a hawker named XIA Junfeng who was given a death sentence because of manslaughter of an urban management official out of self-defence, and XIA's wish to take a picture with his family before he was executed was denied by the local authorities.

Deputy President, 25 years have passed. The CPC now brags about the emergence of a powerful nation and the revival of the Chinese nation. Yet it is in this nation that human rights activists, dissidents and ordinary members of the public are living in predicament because state autocracy and violence are left unregulated. Worse still, the CPC loots the public of their savings and interest. A country holding a colossal amount of national resources is providing for a group of people comparable to wolves and tigers who help the tyrant to oppress the disadvantaged. In the Mainland, violent ruling is blatantly displayed to injure the disobedient most of the time.

(THE PRESIDENT resumed the Chair)

In Hong Kong, violent ruling is packaged under the system. Certain influential and wealthy representatives dressed in smart business suits will sit in the seemingly solemn Chamber of the Legislative Council to formulate policies tilted to the rich and influential but undermine the interest of the people of Hong Kong. Such a practice is to hurt and injure people with the system, and even though there is no bloodshed and it is invisible to the naked eye of the people of Hong Kong, the people are suffering all the same.

President, I do not hold any wishful thinking for my remarks here changing the situation in the Mainland or the CPC, for it is impossible for us to wake up a person faking sleep, nor move a dictatorial political authority which rules by deprivation and self-fattening. I am making these remarks to the people of Hong Kong: the holocaust of 4 June and the dictatorial political landscape in China should remain a warning to Hong Kong people at all times.

Honourable Members, the White Paper on "one country, two systems" has been issued. The content includes the description that the Central Government exercises overall jurisdiction over the SAR. The CPC no longer adopts the approach of "cooking the frog in warm water", and it now "cooks the frog in boiling water". The fate of Hong Kong people should be decided by us. We should rely neither on the dictator to give us power nor other people to strive for us. Equal right to political participation is the only means to prevent the minority from exercising despotic rule. I believe many people will understand this principle. Other people should not harbour the misconception that they can escape the fate of deprivation and suppression by simply focusing on making money.

President, it has been 25 years since the 4 June incident, yet the Central Authorities are still unwilling to face the history, and the grievance of many victims has yet to be redressed. I hope no similar tragedy will one day happen in this piece of land called Hong Kong. The mourning of the 4 June incident and its victims is an act to uphold justice and protect the freedom of expression and assembly in Hong Kong. QIAN Mu, an authority on the studies of Chinese history and culture, once said to this effect, "A nation forgetting its history is a hopeless nation, and a society ignoring its history is a society without any prospect." Hong Kong people must remember the 4 June incident in the history of the pro-democracy movement. We should not only safeguard our memory but should also assess the present situation with reference to history.

President, I so submit.

**MR ALBERT HO** (in Cantonese): President, this year is the 25th anniversary of the 4 June incident. The candlelight vigil at the Victoria Park was attended by 180 000. It made history once again. As we stood on the stage gazing at the sea of candlelight twinkling with the passion of the crowd, we were moved yet filled with indignation. We were touched for after the passage of a quarter of a century, even though Hong Kong is still under the totalitarian governance of the (CPC) dictatorship, the people of Hong Kong refuse to forget the 4 June incident and insist on safeguarding the truth in history, saying "No" loudly to the ruling regime' attempt to rewrite and distort the history of the 4th of June. The people of Hong Kong are writing a chapter of history with their conscience and courage, and this will form a precious, stirring and touching record in the human history of civilization. As a citizen of Hong Kong, as a citizen of China and as a citizen of the world, we will commit ourselves to carrying on this historical mission.

I am filled with indignation for the darkness and silence at Tiananmen Square in Beijing on the night of 4 June when the Victoria Park in Hong Kong was basked in candlelight and echoed with the singing of the people. Twenty five years ago, at Tiananmen Square, a student movement unfolded on a magnificent scale which lasted for more than a month and developed into a pro-democracy movement throughout Beijing. Eventually, the movement ended in bloody suppression and massacre of people in the city by military force. How will the people of China and citizens of Beijing forget this incident? They will not, they definitely will not. Over the years, people have been put under the white terror of the CPC. People are banned from mourning the 4 June incident,

and even the Tiananmen Mothers suffering from the painful loss of their children are obstructed in various ways to mourn their sons at the cemetery. Moreover, many people are prevented from paying tribute along Changan Avenue in Beijing to express the melancholy in their hearts.

In the past 25 years, the CPC certainly knew that people experiencing the 4 June incident definitely would not forget this episode in history. However, the totalitarian authorities did not allow any open debate, studies and investigation about the truth of the 4 June incident. Worse still, they attempted to cause its people to lose memory of the history, and they even hoped that the younger generation would be kept blank in terms of their knowledge of the 4 June incident. In fact, these acts are attempts to destroy the history, comparable to the continual attempt by the Right Wing Government of Japan to destroy the history of the Nanjing Massacre. The emotions arising from the 4 June incident in 1989 have settled and developed into the collective memory of society. I believe every family which has gone through this painstaking experience will pass on this episode of history to the next generation verbally to retain this memory.

People will not forget, neither will the ruling regime of the CPC. In fact, the entire clique is haunted by the spectre of the 4 June incident and gripped by fear. Let us see how they have treated certain persons to try to suppress the collective memory of the community. Take LI Wangyang, an ordinary citizen pursuing vindication of the 4 June incident, as an example. He had endured suffering all over his body during the persecution, and eventually, he was "suicided". Recently, PU Zhiqian, a human rights lawyer participating in some private discussion and examination on issues involving the 4 June incident, was persecuted for "picking quarrels and provoking troubles". Another human rights lawyer, TANG Jingling, who helped LI Wangyang in the past, is facing oppression again, and he may be persecuted for the offence of inciting subversion of state power.

We note that since the 4 June incident, the ruling regime as a whole have been guided by the instruction of "nipping it in the bud" made by DENG Xiaoping back then, which means all riots should be suppressed in the bud. Over the years, the authorities have imposed all-out suppression on LIU Xiaobo who drafted the Charter 08, XU Zhiyong and GUO Feixiong who engaged in the New Citizen Movement and TAN Zuoren who investigated the tofu dreg project to seek the truth. As the culture of corruption and depravity intensifies and

deteriorates, the rule of law and human rights are undermined, and human rights activists will be subject to all kinds of oppression when they fight for issues concerning housing, employment, education, food safety and basic rights. How can a country going against its people enjoy stability and long-term peace in governance? Therefore, we will make continuous efforts to strive for social justice with the public, the people of China and all citizens of the world with a conscience, starting from the vindication of the 4 June incident to the reinstatement of justice to the victims, and then seeking a democratic constitutional China.

**MR CHARLES PETER MOK** (in Cantonese): President, as I speak now, not a single Member from the pro-establishment camp is here in this Chamber. They have all left, yet I will not request a headcount to oblige their return to the Chamber, for it is useless to force them to do so.

Three weeks have passed since the 25th anniversary of the 4 June incident, yet it has not reduced the importance we attach to the motion. Last night, some of my Hong Kong friends in the United States emailed me. One of them, Dennis, said that he knew we would be conducting the motion debate on the 4 June incident today and he particularly requested me to recount his story. He said that though it had been 25 years since the occurrence of the 4 June incident, an increasing number of people, including government officials of the Central Authorities and Hong Kong, had started calling a stag a horse, calling black white and making arbitrary remarks recently, thus it had become even more necessary to mention the 4 June incident repeatedly to let the young people know the truth. He said a Hong Kong colleague of his who was not at all concerned about the 4 June incident in the past suddenly borrowed a T-shirt with the 4 June logo from him. His colleague said that there was an increasing number of colleagues who were "strong-country people" and most of them are the post-80s and post-90s generation who do not know the truth. The colleague thus considered it necessary for him to pin the T-shirt and post the report on the 4 June incident by *Wen Wei Po* back then outside the office, so that the young people would see it when they passed by — this is even so in the United States. My friend asked his colleague why he was so angry this year, and his colleague said that he felt aggrieved when he heard the truth of the 4 June incident told by CHOW Yung and the Caring Hong Kong Power and decided to put up the post. How influential this group so-called the caring so and so.

Actually, we know the incident clearly for we saw it on the television, when eyewitnesses saw it on the scene and when we heard it 25 years ago. However, as 25 years have passed since the 4 June incident, some people may think that the memories of people may have become blurred and it would be easier to influence the younger generation, and they thus talk black into white. It seems quite easy for these people to state the truth of the 4 June incident, yet what is the truth actually? This book in my hand titled *The Tiananmen Papers* (《中國"六四"真相》) is written by two famous overseas academics studying China, namely Andrew NATHAN and Perry LINK. They have collected over a thousand of papers of the Chinese Government and published the book in 2001. What papers are included? They include the reports and minutes of meetings of the Politburo of the CPC and the State Council as well as those of local regions and military regions. For people claiming to know the truth of the 4 June incident, I do not know what evidence they have in proving what they say is the truth. They are saying that no one was killed at the Square and the People's Liberation Army had not fired arbitrarily.

Let us see what the papers described in this book tell us. Twenty five years ago, during the period between 19 and 21 June, that is the aftermath of the 4 June incident, at the expanded meeting of the Politburo of the Central Committee of the CPC, LI Ximing, the Secretary of Beijing Municipal Committee gave a report on the number of injuries and casualties. I should quote the English translation of what he said, "Beijing Municipality has checked and double-checked all the figures from the Martial Law Command, the Public Security Ministry, the Chinese Red Cross, all institutions of higher education, and all major hospitals. These show that 241 people died. They included twenty-three officers and soldiers from the martial law troops and 218 civilians."

The book goes on to explain that "Li Ximing's figures need to be viewed together with other reports about death of soldiers, citizens and students. Materials from the Martial Law Headquarters, for example, show that no member of the troops that advanced on the city the night of June 3 was killed by city residents, and no soldier from the Thirty-Eighth Army, which was responsible for clearing the Square, died on June 3. Of the 10 PLA soldiers who lost their lives and were later honored as Defenders of the Republic, six were from the Thirty-Eighth Army, but these men died when their military transport truck overturned about 2 A.M. ... The deaths of these six soldiers cannot properly be described as 'murdered by rioters'.

A report from the Beijing Public Security Bureau said, 'Those killed included university professors, technical people, officials, workers, owners of small private businesses, retired workers, high school students, and grade school students, of whom the youngest was nine years old.' To judge from this distribution of ages and occupations — from retired old ladies to a nine-year-old child — it would seem likely that the great majority of these people were innocent of any crime."

Who was LI Ximing? In the *Prisoner of the State: The Secret Journal of Premier Zhao Ziyang*, an autobiography of ZHAO Ziyang, it is said to the effect that, "at the Standing Committee on 24 April, he said the standing committee concluded on April 24 that the student movement was branded 'an organized, planned and plotted political struggle to overthrow the party and socialism', and this formed the minutes of the meeting. LI Peng, LI Ximing and CHEN Xitong were the instigators." According to the information, the son-in-law of BO Yibo, who was the Deputy Chairman of the Law Committee of the National People's Congress, was killed at the government building at Muxide, for he had switched on the light to watch the street from the window. He was not only killed, but also listed as one of the rioters. These are the truths of the 4 June incident, that is, the State machinery had plotted to massacre innocent civilians with brutality.

Hence, Norman, another friend of mine, bade me to ask Members from the pro-establishment camp whether they would still vote against or abstain on the motion today if their family members were among the victims of the 4 June incident. Certainly, I am now posing this question to 30 to 40 empty seats, for none of them is in the Chamber now.

Therefore, the 4 June incident is the best mirror that reflects the conscience of Chinese people. Did these incidents happen or did they not? President, with these remarks, I support the motion on the 4 June incident. All of us should watch clearly how Members cast their votes when the motion is put to vote later on.

**PROF JOSEPH LEE** (in Cantonese): President, 25 years ago around this time, I believe Hong Kong people all knew clearly what was happening in Beijing then. Today is 25 June, and it has been a few weeks after 4th of June, the date when the 4 June incident occurred back then. Yet, as the colleague said just now, I believe despite the delayed debate on the motion, the historical incident that occurred 25 years ago is still vivid in our memory. We will not forget it.

In the period close to May and June every year, there will be loud noises in the Mainland, and a lot of high-handed policies and stifling tactics will be employed to oppress and prevent by all means any discussion on incidents that occurred on the 4th of June 25 years ago, so that no one knows. In fact, is this ostrich policy feasible? I do not know. I do not live in the Mainland. However, the purpose of these actions is obvious. As Mr Albert HO said just now, it is hoped that the historical facts will be forgotten by us in this generation, and the knowledge of the next generation about the incident will be left blank. This is the approach adopted by the Mainland.

However, as the people of Hong Kong, by this time in each of the past 25 years, be it prior to the reunification or in the 17 years since the reunification, we know clearly that we are obliged to tell all the people of Hong Kong we have to preserve these historical facts and tell the truth. The candlelight vigil on the 4 June incident this year is the 25th vigil held. On that night, 180 000 people lit up their candles at the Victoria Park, and one special aspect was that many young people were among the participants. Perhaps these young people were not yet born 25 years ago and they do not know what happened. With the efforts made by this generation, they will learn from us through words of mouth the incidents that occurred 25 years ago, just like Mr Charles Peter MOK reading out some of the truths earlier. These are the facts which cannot be covered up by any tactics and policies. No matter what attempts the Government makes, it cannot say that such incidents had never happened.

However, there are some peculiar phenomena in Hong Kong this year. As Mr Charles Peter MOK said earlier, there are some different voices, claiming that the historical facts that happened 25 years ago were not what we think and the army was forced to fire. I can imagine that they may even say that the persons driving the tanks had rolled over the people only because they did not have any driving licences. Is this the fact? This is stark sophistry.

However, in the past 25 years and in the next 25 years, I strongly believe that this generation and the next in Hong Kong will definitely not believe in any of such sophistry. We in this generation of Hong Kong and we as Hong Kong people consider it most delightful that we can freely pass on the truth of the 4 June massacre from one generation to the next, telling the next generation that it is the fact. No matter what the ruling regime of the CPC said, on this piece of land called Hong Kong, we can safeguard the historical facts from generation to

generation as we enjoy freedom of speech, enabling the next generation to know and understand the incident.

Certainly, we look forward to the vindication of the young people or others mistreated or killed without a cause during the 4 June incident. We do not know if the vindication will come to fruition, yet even if the incident cannot be vindicated in this generation, we can count on the next generation, and I believe this is why Hong Kong is so lovable.

On a certain day in the 25th year of the 4 June incident, that is today, we are conducting a solemn debate on the 4 June incident. It does not matter who is listening, but it is important that Members of the pan-democratic camp are obliged to repeat the facts again and again unweariedly in this Chamber, so that Hong Kong people will know that these are the historical facts when they hear and watch the videos and they can judge by themselves whether the sophistry or high-handed tactics mentioned earlier can change the facts. I absolutely trust that Hong Kong is lovable for the preservation of these historical facts here to let the next generation know that in the 4 June incident, the Chinese Government and the CPC Government had done something they should never have done — killing its own civilians.

Today, I will support the motion moved by Mr LEE Cheuk-yan. Thank you, President.

**MR DENNIS KWOK** (in Cantonese): President, 25 years have passed, yet the Central Government still refuses to conduct a thorough investigation into the 4 June incident to find out the truth and to vindicate our deceased and injured compatriots. To the country, the victims, the victims' families, people concerned about the incident and all the Chinese, this is a time for mourning. The Central Government certainly knows that this is a special year. As the famous Mainland human rights activist, HU Jia, said, Beijing has made unprecedented efforts in maintaining stability this year around 4 June. The latest example is the case of the human rights lawyer PU Zhiqiang. He has been put under criminal detention by the Government for the offences of "picking quarrels and provoking troubles" and "illegally obtaining personal information" for attending the seminar about the 25th anniversary of the 4 June incident in May. We are familiar with all these groundless offences.

Another person under arrest is lawyer XU Zhiyong, who is now in jail. What offence has he committed that caused him to be sentenced to four years' imprisonment? President, I would like to quote part of the closing statement made by lawyer XU Zhiyong to the Court about his case, and I quote to the effect that, " Freedom, justice, and love, these are our core values and what guide us in action. The New Citizens Movement advocates a citizenship that begins with the individual and the personal, through small acts that induce concrete changes to public policy and the encompassing system." May I ask in what ways have the closing statement and the comments on citizen movement violated the law? What has he done wrong? Lawyer XU Zhiyong and lawyer PU Zhiqiang are both in the legal profession and have their own families. I studied law in the university as they did, yet I must admit that I do not have the kind of courage displayed by them doing such things. They as members of the legal sector have drummed the courage to face the power. What should the legal sector in Hong Kong do?

President, the Central Government has not only changed its strategy of treating dissidents in the Mainland, for we notice that it has changed its policy towards Hong Kong. There is one common feature in both places. When the Central Government wants to take back the power of the people, stifle democratic aspirations and reduce the scope of freedom, members in the legal sector will certainly be the first target whom the ruling regime are most wary about. The reason is simple. The Chinese Government always tell the world that it rules according to law, yet at the same time, the Chinese Government is one of the governments around the world which disregards the rule of law to the greatest extent. Who are the eyesores to the Central Government? Who are the demon-revealing mirrors? Those people in the legal profession. Hence, in recent years, the Central Authorities have adopted heavy-handed approaches in the Mainland against this group of human rights lawyers. In Hong Kong, the legal sector and the judicial sector are always their targets.

In retrospect, it would not be difficult to understand why the Central Government would make such great efforts and went to great lengths to "fix" the legal sector in the "White Paper on the Practice of the 'one country, two systems' policy in Hong Kong Special Administrative Region" (the White Paper). In the White Paper, the Central Government confuses judicial personnel with politically appointed government officials and elected Members of the Legislative Council, and regards them as those who administrate Hong Kong and require them to

safeguard the country's sovereignty, security and development interests. This thinking is somehow familiar, for it is a variation along the line of the remarks on "the co-operation of the three divisions of power" made by the incumbent State President XI Jinping in 2008. At that time, he requested that the three branches of the SAR, the executive, the legislature and the judiciary, to have mutual understanding and support. Several years down the line, today, they are no longer content with this simple request, so they went further to regard the three branches as a "three-in-one entity" which should work for the same target. It is evident that the Central Government intends to jeopardize the judicial independence in Hong Kong, so as to carry through its thinking that "law is meant to serve politics". Its verbal request has now been put down in black and white in the White Paper.

President, there is a saying that "sturdy grass is only revealed by strong wind". This year marks the 25th anniversary of the 4 June incident, which is also a year when oppression of human rights lawyers is crazily fierce. At the Victoria Park this year, a record high of 180 000 people participated in the activities commemorating the 4 June incident. By the same token, when the White Paper blatantly jeopardizes the judicial independence of Hong Kong, and the policies of "Hong Kong people ruling Hong Kong" and "high degree of autonomy", what can representatives of the legal sector do? I admit I do not have the courage comparable to lawyer PU Zhiqiang and lawyer XU Zhiyong. However, the most basic thing which I and the legal sector can do is to go to the High Court at 5.30 in the evening of 27 June, Friday, to attend the silent march, making it clear to all the people of Hong Kong, the Central Government and the international community that the legal sector refuses to compromise the rule of law, judicial independence, "one country, two systems", "Hong Kong people ruling Hong Kong people" and "high degree of autonomy" at any rate. Thank you, President.

**MR WU CHI-WAI** (in Cantonese): President, this year marks the 25th anniversary of the 4 June bloody massacre. We do not wish to recall that memory, but we dare not forget it. For 25 years ago, the CPC used military force to bloodily massacre unarmed students and civilians. Some people may consider the incident fabricated by Western countries, for they want to lead us to forget this memory and history, while some people will selectively dodge the facts seen on that day.

I would like to read out the content of two advertisements. During the period around the 4 June incident in 1989, Mr LEUNG Chun-ying, the incumbent Chief Executive, said to the effect that he "deeply grieved the death of all patriotic compatriots in Beijing", and he "strongly condemned the ruling regime of the CPC for the bloody massacre of Chinese people," and "paid the greatest tribute to all the staff of *Wen Wei Po*". The Hong Kong Federation of Trade Unions (FTU) also made the following declaration to the effect that, "It strongly condemns the Beijing authorities for their violent and bloody suppression of students and civilians on 4 June; the Beijing authorities must stop all actions of suppression and arrests; it expresses deep sorrow to students and civilians victimized in the 4 June incident; all workers in Hong Kong should take immediate action to tell the truth of the 4 June incident to their relatives in the Mainland by various means and channels; it implores all workers in Hong Kong to participate in various forms in the mourning activities held on 7 June according to the actual situation of their sector; it implores Hong Kong people in all strata of society to stand united, to take practical actions to stabilize Hong Kong and to continue to support the patriotic pro-democracy movement in the Mainland in a proactive, rational and peaceful manner".

Today, when Chief Executive LEUNG Chun-ying is asked by the public about how he will convey the message of vindicating the 4 June incident to the Central Government, he will naturally evade the question. As for colleagues from the FTU, they simply disappear from the Chamber today. However, the truth of history is after all the sharpest weapon pricking the CPC ruling regime. Therefore, we have repeatedly mentioned the 4 June bloody massacre here in this Chamber persistently over the past 25 years, so that this truth hurting Chinese people will be recorded in the Hansard, leaving a mark on history.

A nation that forgets history will have no prospect and hope. Regrettably, the CPC ruling regime choose to prohibit its people from commemorating the 4 June incident and make its people to forget about this historical incident. As mentioned by Mr Charles Peter MOK earlier, some of his colleagues in the United States passed the message to him that some young people from the "strong country" working there know nothing about the 4 June incident. Why does the CPC want to conceal this episode of the history? For they hope that the bloody and violent atrocities they did will be washed clean with the people forgetting the history.

However, in a small place like Hong Kong, as the Hong Kong Alliance in Support of Patriotic Democratic Movements of China has insisted on lighting up the Victoria Park with candlelight in the past 25 years, more and more citizens are called to come together. At the beginning, there were only 100 000-odd people attending the candlelight vigil at the Victoria Park. The event had become less prominent for some time, with only tens of thousands attending every year. Yet, in recent years, the number of attendants has been increasing steadily year on year. This phenomenon proves that in the course of insisting on keeping the candlelight lit, an increasing number of citizens and the public treasure the opportunity to light up their conscience with this candlelight. This does not only bring hopes to Hong Kong in the course of striving for democracy, it also proves that Hong Kong people have not forgotten the history on the 4 June bloody massacre. At the same time, this is telling the CPC ruling regime loud and clear that its brainwashing policies do not work in Hong Kong. By means of these episodes and images, we will let the people of China know that in Hong Kong, where "one country, two systems" is implemented, we will treasure and spare no efforts in safeguarding the historical fact. This historical fact will likely become the sharpest bayonet the CPC ruling regime will have to face in future, which may even cause their fall.

The Chinese Government often emphasizes to other countries, such as Japan, the need to respect history. Certainly, we will never forget the history on the Nanjing Massacre and we must request the Japanese Government to apologize and make compensation for its violent invasion of China to enable victimized compatriots to receive the due response. However, when the Chinese Government does not respect history itself, how can it convince other countries in the world to support it in urging other countries to respect history? In fact, after the Second World War, the German Government chose to reflect deeply on the Nazi atrocities, yet the Japanese Government has not done so, neither has the Chinese Government. It has not reflected on the lesson learnt from history (*The buzzer sounded*) ... so ...

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

**MR WU CHI-WAI** (in Cantonese): ... thank you, President.

**MR WONG YUK-MAN** (in Cantonese): President, the remembrance of the "4 June tragic incident" this year is particularly meaningful. Not because it is the 25th anniversary, one of those anniversaries of every five or 10 years, but because we see the awakening of local consciousness. Hong Kong people start to reflect on the meaning of the "4 June tragic incident" to Hong Kong from the perspectives of identity, the trend of pro-democracy movement and the stance adopted towards the position of the CPC. The significant change in public sentiments in Hong Kong this year has caused the CPC to feel restless and uneasy and left the pan-democratic camp in total disorientation. The "4 June Assembly of Hong Kong People" was held outside the Cultural Centre in Tsim Sha Tsui this year, with 7 000 people participating in the event. The event was conducted under the banner of "localization, democracy and anti-communist" to commemorate the "4 June tragic incident" from the perspective of Hong Kong people. The event offered an alternative for Hong Kong people in commemorating the "4 June tragic incident", facilitating Hong Kong people in thinking over the relationship between Hong Kong and China. However, mainstream media and politicians from the pan-democratic camp both smeared the "4 June Assembly of Hong Kong People" with the remark that "such event would split the force and the CPC would be more than happy to see that", instead of responding to the strong and prevailing political aspiration of Hong Kong people. No wonder the democratic movement in Hong Kong has failed to find any way out after more than 20 years.

The members of the Hong Kong Alliance in Support of Patriotic Democratic Movements in China (the Alliance) are the skeleton members of the pan-democratic camp. They turn a blind eye to the rising trend of the localization movement but stick to the defeatism statement that "Hong Kong will not have democracy if there is no democracy in China". It still indulges in its "Great China democracy dream", debasing itself and acting passively and cowardly. For the sake of "united democracy", some people have even gone to the extent of betraying the interest of Hong Kong. In May 2010, the Democratic Party entered into a secret-room negotiation with the CPC. After that, it supported the bogus constitutional reform proposal to include the screening mechanism, which deprives Hong Kong people of their rights to nomination and stand in election. In December last year, the Deputy Chairman of the Alliance cum Democratic Party, TSOI Yiu-cheong, who is also an official of the Society for Community Organization, applied for judicial review to strive for the right for new arrivals to apply for Comprehensive Social Security Assistance and he won

the case. This has toppled the principle of the social welfare system of according priority to local people or permanent residents. Hence, many young people started to question the meaning of the 4 June candlelight vigil: to whom the candlelight has been lit over the past 25 years.

The positions and attitudes adopted by the group of political agents on the stage of the 4 June candlelight vigil are consistent with the approaches and attitudes they adopted in commemorating the "4 June tragic incident". The culturati commentator in Hong Kong, On To (安徒), published an article on 2 June in *Ming Pao Daily News* titled "Bidding farewell to the 4 June incident is like bidding farewell to myself". He stated in the article that the democratic camp, and I quote to this effect that, "waits silently for the open-minded camp to assume power to vindicate the 4 June incident, it is simply waiting for a time to harvest and has done nothing to break the deadlock, to broaden the horizons of the movement ... it hastily defines the 4 June incident as an emotional complex and begs the CPC to give special care to Hong Kong people with this emotional complex to pacify their emotions ... the democratic camp has not made any wholehearted effort to pass on the 1989 pro-democratic movement and has failed to transform the spirit to fight for democracy in the democratic movement into an impetus promoting the people's movement in Hong Kong, but has adopted the approach of "separating Hong Kong and China", "trusting the Basic Law" for its effectiveness and expecting that the support from "international companions" will never wane, choosing to adopt the submissive route of living and the appeasement policy." (*end of quote*) The observation and analysis of On To of the democratic camp and the 4 June incident are thorough and precise.

Many young people sense that society is on the brink of danger given the impacts from China. They have grown impatient with the Alliance and the pan-democratic camp for losing touch with the public sentiments. These young people believe that they must adopt a strong and resistant attitude towards intervention by the CPC and the problem involving the Individual Visit Scheme in order to defend Hong Kong. In February, in Canton Road of Tsim Sha Tsui, there was the "anti-locust" incident. After that, there were a number of activities to "promote change and combat corruption", and there was the storming of the Legislative Council Complex because of opposition to the Northeast New Territories Development project early this month. The nature of these activities is entirely different from the 4 June candlelight vigil organized by the Alliance and the 1 July peaceful march organized by the Civil Human Rights Front. The

"anti-locust" operations, the activities to "promote change and combat corruption" and the storming of the Legislative Council Complex are meant to oppose the integration of Hong Kong with China, or Chinazation. These activities are initiated and participated by the public direct and no politicians are involved as agents. These activities bring forth the empowerment of the people and truly manifest the spirit of democracy.

The CPC ruling regime and the Hong Kong communist ruling regime have all along been suppressing the interest of the locals and the democratic movement. Without the support of the murderer authorities outside Hong Kong, that is, the CPC, the Hong Kong communist ruling regime would have been overturned long since. Regrettably, throughout the candlelight vigils of the 4 June incident in the past years, members of the Alliance had never had the courage to put forth the aspiration for "toppling the CPC". After consuming the political assets from the 4 June incident, it ostracizes the progressive democratic camp and local consciousness, leading the democratic movement of Hong Kong in the wrong direction. During the consultation on the constitutional reform, the pan-democratic camp strove to emphasize their patriotism in response to the remark of the CPC that "ruler of Hong Kong should be patriotic". All along, they have danced to the tune played by the CPC, for they dare not query and denigrate the legitimacy of the CPC in ruling Hong Kong. No wonder the CPC behaves brazenly to suppress human rights with sovereignty and override "two systems" with "one country".

The meaning of the "4 June tragic incident" to Hong Kong is that Hong Kong people must understand the cruel nature of the CPC and dare to oppose the governance of the CPC of Hong Kong. The commentator, LEE Yee, quoted the famous remark of EINSTEIN that "Insanity is doing the same thing over and over again and expecting different results" to point out that new political thinking should be applied to the 4 June incident. I think Hong Kong people should jump out of the box of the candlelight vigil activities and abandon the political agents who embrace the Great China mindset. They should indeed join the street resistance movement to oppose the CPC and the Hong Kong communists to make this dream for democracy of Hong Kong people over the past 25 years come true. Down with the CPC!

President, I so submit.

**MR TONY TSE** (in Cantonese): President, this year is the 25th anniversary of the 4 June incident. A quarter of century has passed, yet the 4 June incident still strikes a chord in many people. Regarding the 4 June incident, there are still different voices, opinions and views in society. Yet, as stated in the editorial of *Ming Pao Daily News* on 4 June this year, the 4 June incident originated from the anti-corruption and anti-profiteering movement. However, to date, promoting honest practice and integrity is still a key problem our country needs to address. Hence, our gravest concern is how to learn a lesson from history and to continue to make proactive efforts to strive for and promote anti-corruption efforts, with a view to building a clean government with integrity and efficiency. A corrupted government will not only jeopardize the interest of society and its people, but also seriously impede the development of a country.

President, I notice from the report of the media that the State has made a determined effort in combating corruption and depravity in recent years and has worked hard to promote clean government. We hope that the authorities will continue to step up the effort in combating corruption in order to address the aspiration of society for clean government. President, a corruption-free society is the core value of Hong Kong, which is also the cornerstone for the success of Hong Kong. Hence, we cannot allow a small group of people to jeopardize the corruption-free society in Hong Kong because of their individual interests. We should be proud that we have a society upholding honesty and integrity. As such, we must steadfastly safeguard and reinforce Hong Kong's clean reputation.

President, I so submit.

**MR SIN CHUNG-KAI**: Often times, perhaps far too often, politicians give speeches that try to bend truth to fit their personal ideological leanings. Other times, perhaps far too often, we give speeches that avoid truth in its entirety by drowning it out with meaningless platitudes. This time, and for every other time this motion will appear before this Council, I say we should remember and vindicate the truth.

That the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated.

I said the word "should" because Hong Kong is the only place in China where large-scale commemorations of the Tiananmen Square tragedy are allowed. It is the only place in China where Chinese can speak for those who have been silenced by government censorship, intimidation, and imprisonment. It is the only place in China where citizens of China can shine light on those dark days in China's past as thousands have done by igniting their individual lights in the annual candlelight vigil. It is the only place in China where citizens can remember and vindicate the truth. But it is not the only place in the world where the truth about the Tiananmen Square massacre is remembered and vindicated. In Malaysia, protestors held up models of tanks covered with red paint outside of the Chinese embassy in Kuala Lumpur. In Taiwan, a student group promoting democracy in China organized an event featuring activists who participated in the 1989 Chinese pro-democracy movement. In the United States, the White House urged China to account for those killed and lost after the events of 4 June 1989. The United Nations admonished Chinese authorities for their detainment of individuals leading up to the 4 June anniversary and stressed the need to establish clearer facts surrounding the event.

So let us take the time to establish some facts, while understanding that these facts are not enough to assuage the grief of the families of victims who are still waiting for closure regarding the fates of their loved ones. Let us take the time to remember the truth of Tiananmen Square massacre and add our voices and lights to those around the world that refuse to let it be erased from the collective human consciousness.

In the spring of 1989, student-led popular demonstrations took place in Beijing and received broad support from the city residents.

The students occupied Tiananmen Square for seven weeks, provoked after the death of HU Yao-bang, a liberal political and economic reformer who had dared to criticize the party elites' corruption.

HU had led a group of reformers, deemed "the right", in advocating political liberalization and freedoms of expression to fight against increasing nepotism and favoritism in the Chinese government and the economy.

On the night of 17 April, thousands of students joined forces to draft a list of "Seven Demands" for the Government. So when we remember and vindicate

the 4 June Incident, let us first commemorate those who lost their lives that day, but let us also advocate for the substantive demands of that movement, ones that have still not been met to this day. Those "Seven Demands" read:

- (1) Affirm as correct HU Yao-bang's views on democracy and freedom;
- (2) admit that the campaigns against spiritual pollution and bourgeois liberalization had been wrong;
- (3) Publish information on the income of state leaders and their family members;
- (4) End the ban on private-run newspapers and stop press censorship;
- (5) Increase funding for education and raise intellectual's pay;
- (6) End restrictions on demonstrations in Beijing; and
- (7) Provide objective coverage of students in official media.

Today I read these "Seven Demands" from the students who led the charge so that we, in the present political landscape, stay steadfast in our commitment to these issues they, in the past, were willing to die for, namely, the defense of democracy, the protection of freedom, the defeat of corruption, the prioritization of education, the end of censorship and, the right to demonstrate.

In May of that year, the students started a hunger strike which spilled into further support for the pro-democracy movement from both the capital city and 400 other cities by the middle of that month.

On 20 May, DENG Xiao-ping and other party authorities declared martial law and mobilized 300 000 troops to Beijing.

On the evening of 3 June, troops armed with assault rifles and backed up by tanks killed and injured unarmed civilians who blocked their way to Tiananmen Square.

On the morning of 4 June, the Chinese army began to seal off Tiananmen Square from residents and students, and even resorted to force to prevent more demonstrators from entering. The students were forced to leave the square; those who stayed were beaten and killed.

The Communist Party of China claims "only" 241 people died that day. Experts disagree and say the death toll is between 800 and 1 500. I do not know the exact figure, but I do know that many innocent people were killed that night. Some soldiers died, many students and protest leaders died, and even more workers died that night. They were killed because they were willing to stand up against the corruption and concentration of power that required suppression of dissenting opinions.

When faced with tragedy, our first obligation is to mourn and our second obligation is to vindicate. Apart from corroborating the authenticity of the events of that day, vindication also requires an essential element of justification. If we truly want to commemorate the students and residents who died that day, we must also say that they were right to fight for the causes they thought greater than their own lives. We must justify their actions by stating that the substance of their demands and protests still matter. Now, especially in Hong Kong, especially in this city, we face less foreboding but equally significant circumstances (*The buzzer sounded*) ... where the fate of democratic ideals and individual rights is again under contestation.

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

**MS CLAUDIA MO** (in Cantonese): The commemoration of the 4 June incident this year is certainly particularly meaningful because it is the 25th anniversary. In a wink, a quarter of a century has passed. To many people, particularly to my generation, the 4 June incident back then was a watershed in our lives. No matter if we talk about people, incidents or things, reference would be made to whether they appeared before or after the 4 June incident and 1989. The student movement culminating in the 4 June incident in 1989 is largely attributable to the influence of the ideas of opening up and reform on the students of the Peking University, that is, glasnost and perestroika, prior to the crumbling of the Soviet Union. Both words are Russian and I learnt them only in Beijing from the students of the Peking University. Many people did not notice this point, thinking that those students were only opposed to profiteering and corruption

among officials. However, at the same time, they also campaigned for press freedom and demanded that reporters tell the truth. Prior to the 4 June incident, there was a very touching scene at the Tiananmen Square, that is, the editors and reporters of all major newspapers throughout the country, including the *People's Daily*, *Liberation Daily* and *Guangming Daily*, all walked through the square in procession, hoisting banners that all read "We want to tell the truth". That was very touching. With such a scene appearing in a totalitarian country, everyone thought that finally, there was hope for China. Nevertheless, of course, history tells us that things did not turn out this way.

Back then, I was also a journalist and the great majority of journalists in my generation think the lesson of the 4 June incident for Hong Kong people is that we have to preserve Hong Kong. In 1989, a flood of refugees could be seen in Hong Kong. Those were not Vietnamese refugees, rather, it was a wave of emigration among ourselves, and many people emigrated. Buddy, everyone was scared, not knowing what would happen in 1997. Buddy, would tanks actually charge into Queen's Road East or Des Voeux Road Central? They would first "occupy Central" — in the past, these two words had yet to gain currency — and everyone was scared. We had to preserve Hong Kong and what we had to preserve are fundamental human rights and freedoms. The fundamental concept is the separation of powers but in this country called the People's Republic of China, there is no such thing as the separation of powers. If there is, you cannot explain why such instances as that happened to LIU Xiaobo would arise. He was awarded the Nobel Peace Prize, not the Nobel Prize in Chemistry, not any academic award but the Peace Prize. He is someone on the same par and in the same league with such people as Mother Theresa. However, he has to serve time, but for what reason? All of a sudden, many people cannot remember the relationship between LIU Xiaobo and the 4 June incident. LIU Xiaobo was one of the four gentlemen staging a hunger strike in Tiananmen Square back then. He is not one of those people who make remarks that are wise with the benefit of hindsight or who still capitalize on the 4 June incident even now. Throughout, he has been very sincere towards his country, an intellectual who wants to do something constructive about the concepts of democracy. He was originally a lecturer of the Beijing Normal University.

The student movement marked by the 4 June incident set out to campaign for press freedom and the momentum of the student movement culminating in the 4 June incident initially originated from the death of HU Yaobang. However, it is most ironical that even though HU Yaobang was generally considered more enlightened and untainted by corruption and a figure at the top echelon who was

not involved in corruption, he once issued an order in black and white telling state news agencies to observe the "8 to 2" principle in news coverage. What is the "8 to 2" principle? It means the coverage should consist of 80% on the bright side and 20% on the dark side, that is, the coverage on the dark side should at the most be 20%. He was already considered very enlightened. An "8 to 2" ratio? What kind of news coverage is that? Even now, when we look at all the news agencies on Mainland China, we will find that they always talk about the Party or the State, lacking any independent spirit.

Not long ago, on 18 June, that is, just a few days ago, the State Administration of Press, Publication, Radio, Film and Television issued an order — so get ready for an "imperial decree" and there is no knowing when it will reach Hong Kong — telling reporters and editors to be smarter. Without the orders of superiors, they should not try to show their cleverness by publishing news about criticisms and critiques. What kind of country is this? Do we still harbour any extravagant wish of preserving Hong Kong, drawing lessons from the 4 June incident and practising the separation of powers? They have continually made assertions about being executive-led, demanding that the Legislative Council work in concert with the executive. Moreover, they have already bent over backwards to work in concert and everyone has a good idea of this, President.

There is no need to elaborate on the words "the 4 June incident be not forgotten". As regards vindication, some people may ask how possibly can a murderous regime admit to having killed people, say sorry, then apologize. What we want to say is: Why do we need it to admit it? The history is here and back then, there were two battlegrounds, one called Tiananmen Square and the other called CNN. The latter beamed the footages to the whole world and a record has been left in human history, so there is no need for it to vindicate the incident. Why do we need it to vindicate the incident? Among the Mainland students whom I teach — and they are students of the journalism department — 10 out of 10 know the 4 June incident. They all came from the Mainland, so do not belittle the intellectuals on the Mainland, saying that they do not know what the 4 June incident is. President, this notwithstanding, we must still remember that there is the "Home Coming" movement. Intellectuals in exile overseas still want to go back and there is also the Tiananmen Mothers movement. The Reporters Without Borders demands the release of LIU Xiaobo because he embodies universal ethical values.*(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Ms MO, your speaking time is up.

**MS CLAUDIA MO** (in Cantonese): Thank you.

**MR FREDERICK FUNG** (in Cantonese): President, "do not want to remember but dare not forget". The road to the vindication of the 4 June incident has been travelled for a quarter of a century. Time passes without one noticing it, things change and the stars move, generation after generation of people have been born and generation after generation of people have left their mortal frames. Looking at these 25 years, the global situation has changed drastically. Although the Chinese economy is on a powerful ascent, corruption and various malpractices remain critical. Wealth disparity is severe, human rights and freedom are still respected not in the slightest way and the suppression of dissidents has not stopped for a single day.

In order to reinforce the despotic regime, the public powers of government are not subject to any checks and balances and the so-called the people's representatives and even the judicial system have degenerated into political tools open to manipulation by those in power at will. It is said that development is the absolutely principle but often, the overall quality of life of the people is sacrificed and irreversible damage is wrought on the environment. Economic development has frequently given rise to great wealth disparity and corrupt officials. The root of the problem lies in the absence of incentive for the regime practising one-party dictatorship to monitor itself, nor is there any mechanism for bringing about self-improvement and imposing independent checks and balances.

In the past, Premier WEN painted a very rosy picture, saying that various types of reforms had to be carried out but throughout, this remained only academic. Can such an imbalanced course of development bring genuine long-term peace and order to China? The answer is obviously in the negative. The oppression by autocrats may bring about short-term peace, but it also shows that the government's authority cannot win over people's hearts, not to mention bringing about genuine harmony.

President, Hong Kong people have stepped forward to commemorate the 4 June incident year after year, braving the elements. We have not created a façade of peace and prosperity or acted against our conscience. We have never forgotten, nor dare we forget. This year marks the 25th anniversary of the 4 June incident and 180 000 people still went to the Victoria Park to commemorate the souls killed in Tiananmen Square with candles in their hands and tears in their eyes. Our remembrance of them and the desire to find out the truth have not waned as a result of the passage of time. On the contrary, we have become even more steadfast, and we have not distorted our conscience because of the political and economic reality. This is because we know full well that even now, the 4 June incident is still an indicator for gauging the conscience of the Chinese people, the fundamental criteria for differentiating between the good and evil in human nature and also an accusation of a brutal regime that murdered its people.

I still remember that on the eve of the 4 June incident every year, the CPC regime would look as though it were struck by phobia and this year was no exception. The Central Authorities have put dissidents under house arrest or into jail with a show of seriousness, so as to keep watch over them at all times and in the past, it used to be pro-China people in Hong Kong who would express their allegiance by citing fallacious arguments, whereas nowadays, the task of levelling unreasonable and callous criticisms at the 4 June incident by stoking differences and staging struggles has been handed over to groups with names starting with the word "love". In fact, all such approaches amount to utter folly.

Does this approach not reflect the fact that the nightmare that has haunted us for 25 years has never been truly laid to rest despite the economic prosperity? Each year, at this time, those in power above would always make a show of being very serious by putting up a façade of peace and order and the followers below them would play down the 4 June incident by citing various grounds. However, no matter what they do, it only proves that the 4 June incident is really far too real, so real that one can hardly gasp for breath. Back then, the ardent hearts of students moved the Chinese people and roused our conscience and the bloody suppression by a high-handed government also shocked the world.

President, "the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated.". I believe that so long as this missing link in history is not restored, the nightmare will still haunt those in power. In this country, stability can override everything else and even brutal oppression can

be regarded as a matter of course. Innate human values and rights can be deprived at any time and everything is done just for political expedience. The lives and freedoms of the people have degenerated into means that can be sacrificed at any time. At such a time, I believe Hong Kong people have to be even more united. Now, the system in Hong Kong is crumbling, society is in total disarray and the intervention of the Central Authorities in the affairs of Hong Kong is going deeper and deeper. In order to show its power and authority in governance, the Central Government can rip away the mask of "two systems". In the referendum last Friday, the enthusiastic response of the public precisely reflected the refusal of Hong Kong people to succumb to fate.

The core values of Hong Kong people, the differences between the two systems, our respect for human rights and the rule of law and our quest for democracy will not tolerate wilful violation by those in power. This is precisely the spirit of the 4 June incident that has been passed down to us. Do the Central Government and the SAR Government still fail to grasp this point even now? With these remarks, President, I support the motion.

**MR RONNY TONG** (in Cantonese): President, from whatever perspective, 25 years are a "milestone" that deserves our commemoration. President, as far as I can remember, the 4 June incident has been commemorated in Hong Kong each year and the Legislative Council would also debate it each year. Almost every year, I was asked what the point of our debate was. President, 25 years are not a small figure, so it is quite meaningful for Members to explore the significance of the 4 June incident today.

Moreover, almost every year, I was asked what the use of the debate is. Does anyone care? President, it is true that even though not a single Member of the pro-establishment camp is present during the debate, such a scene has long since ceased to be news-worthy. Just now, I browsed some websites to see what coverage the mass media in Hong Kong had given to our debate and found that the only thing that had been covered was the refusal of the President to let Ms Cyd HO switch on the light. The mass media did not report any of the comments. They did not mention what Mr LEE Cheuk-yan had said or what Mr Albert HO had said. What is the significance of our discussion and debate? There was no coverage. Come tomorrow, the only relevant piece of news may be that about how Ms Cyd HO was barred from switching on the light.

Does this mean that our debates were meaningless? Another example came to my mind. President, on the eve of the anniversary of the 4 June incident, a public opinion survey was conducted and it was found that less than half of the Hong Kong people interviewed consider the commemoration of the 4 June incident meaningless. In that case, has the memory of the incident faded? In fact, in the evening in which the candlelight vigil for the 4 June incident was held, I was also quite worried as to whether or not the prediction made by the survey would come true. However, I remember clearly that when I walked from the Victoria Park to a place opposite the Park Lane Hotel to speak through the loudspeaker, it was already a quarter to nine. President, at that time, the candlelight vigil for the 4 June incident had already been more than half way through and was about to end, but the people flocking to that place from Causeway Bay were still interminable and innumerable. This again showed us that our public opinion surveys are not credible.

President, in fact, does it matter whether or not anyone cares about the debate in the Legislative Council, how many people are found to still remember the 4 June incident and how many people are found to have forgotten it by public opinion surveys? I believe that ultimately, these are not important. When Ms Cyd HO rose to speak just now, she said she was worried that this piece of history would sink into oblivion. Many Honourable colleagues also questioned if the 4 June incident would be forgotten after the passage of some more years.

President, I do not have this kind of worry at all. This is not the nature of the Chinese people. President, from a certain perspective, China is a country that has gone through many trials and tribulations. In the course of more than 5 000 years, there were many tragic events the nature of which was similar to the 4 June incident and it may even be worse in the old days. For more than 5 000 years, how many emperors vindicated the bloody atrocities done by them? President, you may be more well versed in Chinese history than I am. I remember that only Emperor Wu of the Han Dynasty handed down an imperial edict to put the blame on himself. President, for more than 5 000 years, only one emperor did such a thing.

Does this mean that the commemoration of the 4 June incident is not necessary, and that it is hopeless or meaningless to do so? President, I think this is not so at all. In the old days, if people recording history did not sing praises of virtues and conceal faults, they would be beheaded, as evidenced by the history involving the records of Qi and the writings of DONG Hu of Jin, whereas nowadays, they may be jailed. However, it does not mean that we Chinese

would forget history. There were many people who wanted to whitewash history in the Qin Dynasty by talking about how great Qin Shihuang, the first Emperor, was but after 5 000 years, we still remember Qin Shihuang as a bad emperor.

What Ms Claudia MO said just now was quite right and I share her views. Of course, we have to insist on vindicating the 4 June incident because this is the responsibility of the central regime. However, ultimately, whether or not the incident can be vindicated is not that important. If the Central Authorities say that the incident has now been vindicated, does it mean that nothing has ever happened? Is our discussion meaningless if the Central Authorities are unwilling to vindicate the incident? No, I don't think so. As I said just now, Chinese history is full of trials and tribulations and some people even say that history is the accumulation of failures. However, through these failures, trials and tribulations, the Chinese people will grow up. What we are today and our insistence on democratic ideas are perhaps influenced by the 4 June incident and we are being constantly spurred on by it. Not only must we not forget the 4 June incident, we should not forget the importance of democracy and freedom either.

Therefore, today, we can say that the significance of the 4 June incident lies in the fact that it is part of our growth. Thank you, President.

**MR KENNETH LEUNG** (in Cantonese): President, this year marks the 25th anniversary of the 4 June tragedy. For the past 25 years, Hong Kong people have held commemorative activities each year and this year is no exception. A total of 180 000 people attended the candlelight vigil at the Victoria Park to demand the vindication of the 4 June incident. The reason for demanding vindication is not just to seek justice in the historical judgment on the victims of the violent suppression by the CPC back then. We also want to express our insistence on all the values advocated in this democratic movement ignited by students opposed to corruption, totalitarianism and demanding democracy for China as well as the opening up of China.

President, in the speech entitled "New-Democratic Constitutional Government" delivered by MAO Tsetung on 20 February 1940, he raised two points, "To be sure, China lacks many things, but the main ones are independence and democracy. In the absence of either, China's affairs will not go well."

President, allow me to cite one of the passages in the editorial published by a party newspaper of the CPC, *Xinhua Daily*, on 3 July 1945. It says, to this effect, "The practice of democracy is a matter related to the general public and it is also dependent on the might of the general public. The public must take the initiative and become actively involved in the major issues in the political life of the country and oppose all obstacles to the implementation of democracy. Only in this way can China truly embark on the road to democracy."

President, the foregoing comments were the views of the party newspaper of the CPC before it came to power in China but in the course of 65 years under the rule of the CPC, have these values been ever realized? President, in making this point, I wish to underscore the point that to the people of a country, the greatest assurance is not the pleasing remarks or the verbal undertakings made by some senior government officials or a certain organization, rather, it is the checks and balances on the public powers of the Government as reflected in the political system and the respect for citizens' rights.

We can see that the consequence of the absence of democracy and constitutional safeguard is that in the past 65 years, China has gone astray many times, thus causing many of its citizens to perish. When the will of the leaders changes, the direction of administration of the whole Government also changes accordingly. This kind of changes in policy direction may also affect the SAR nowadays.

President, allow me to review in retrospect an article entitled "Maintain Prosperity and Stability in Hong Kong" in Volume III of the *Selected Works of Deng Xiaoping*. Back then, DANG Xiaoping stated his views on "one country, two systems" clearly and I quote, "But today I should like to assure you that China's policy will not change; nobody can change it, because it is right and effective and enjoys the support of the people. Since it is backed by the people, anyone who tries to change it will meet with the people's opposition. It is certain that the contents of the Joint Declaration will not change. And our Central Government and the Central Committee of the Communist Party always live up to their international obligations; that was true even during the years of turmoil. Acting in good faith is a Chinese tradition, not something invented by our generation. It is an essential quality of our magnificent old country. Ours is a great and proud nation."

These words are still ringing in our ears but nowadays, how much of the promise of "no change for 50 years" has remained? The Sino-British Joint Declaration states clearly that "The Hong Kong Special Administrative Region will be directly under the authority of the Central People's Government of the People's Republic of China. The Hong Kong Special Administrative Region will enjoy a high degree of autonomy, except in foreign and defence affairs which are the responsibilities of the Central People's Government."

President, the White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region" published by the State Council earlier on has aroused a high degree of concern among all members of the Hong Kong public. Its interpretations of the Central Authorities' overall jurisdiction on Hong Kong, Hong Kong's high degree of autonomy and even the role of the judiciary have all aroused great doubt as to whether or not the Central Authorities have the intention of distorting, through this document, the Sino-British Joint Declaration and the Basic Law as well as such established core values as the separation of powers among the executive, the Judiciary and the legislature, which have all along been respected by us. Great doubts have also been aroused about the resolve of the Central Government in implementing the "one country, two systems" principle. If we review history, how many of the verbal undertakings made by the CPC and even by its leaders are truly honoured?

President, the spirit of the 4 June incident lies in the insistence on establishing a democratic system and the replacement of rule by man with the rule of law, so that checks and balances can be imposed on those in power. For this reason, I have spoken in support of Mr LEE Cheuk-yan's motion.

I so submit.

**MR ALAN LEONG** (in Cantonese): President, the historical tide of great momentum always surges forward relentlessly. Twenty-five years ago, young people in China spoke up on the political reform in the country. Twenty-five years later, Hong Kong people are striving for genuine universal suffrage. Twenty-five years ago, there were tanks and machine guns and 25 years down the line, there are hackers and the White Paper. Nothing is new under the sun. On the vast expanse of Chinese soil, oppression and struggles have never ceased.

This year, the candlelights at the Victoria Park were particularly numerous. I think this is because we now have the greatest sense of identification with the martyrs of democracy at Tiananmen Square in the 4 June incident.

Mr YAN Jiaqi, who used to work for Mr ZHAO Ziyang and was wanted after the suppression in the 4 June incident, said in an interview that before 1989, there was a ray of hope for the rule of law in China. At that time, the 13th National Congress of the CPC passed a political reform proposal putting forward "the separation of party and government administration" and "the implementation of a national civil service system". The most important thing was the appointment of state civil servants in accordance with the law and the introduction of the principle of "no removal without negligence".

However, when LI Peng ordered the army to move into Tiananmen Square, everything became hopeless. On the removal of Mr ZHAO Ziyang from his office, no questions about the justice and the right and wrong were asked. Judging from this alone, it can be seen that the hope for the rule of law on all of Mainland China vanished from then on.

Since the political reform did not succeed, what has become of China nowadays? The conscience of all people is buried in a huge gold mine and such slogans as "harmony and stability" and "development is the absolute principle" have overwhelmed the cries of the conscience. For the sake of maintaining the stability of the regime, the CPC has gone to such lengths as distorting history and trampling on human rights. LI Wangyang was "suicided" and even when the Tiananmen Mothers wanted to pay tribute to their own sons, they had to overcome various obstacles. A slaughter that took the lives of students in their prime was played down as a political turmoil and even described as a bump in the rise of a mighty nation.

However, I believe that in this world, there are some values far more important than wealth and power that must be pursued by us as human beings. A referendum organized by the "Occupy Central with Love and Peace" movement is being held to obtain public mandate in campaigning for the election of the Chief Executive by genuine universal suffrage in 2017 and so far, over 740 000 people have cast their votes, so this is a piece of very heartening news.

After the reunification, the development of democracy in Hong Kong began to show a glimmer of hope and civil power has grown stronger. The year 2017 is crucial. We are only one step short and only a nomination system without screening is needed before a desirable political system bringing about everlasting peace can be established for Hong Kong.

This will certainly affect the vested interests. With such interests fanning the flames, the Central Authorities feel as if they were confronted by a mortal enemy. Our voting network was subjected to attacks from national-level hackers in Mainland China and officials in Beijing and the mouthpieces of the CPC also generated falsehoods continually in an attempt to hoodwink the people of Hong Kong. The violence of the attacks to suppress the campaign for genuine universal suffrage is actually no less than that of tanks and machine guns.

However, in the face of this severe onslaught, what I could see was people of flesh and blood, both old and young, lining up outside polling stations in the hot weather, all for resisting the cyber violence and verbal violence inflicted by the CPC. This really very much resembles the scene in which Mr WANG Weilin blocked tanks on Changan Avenue.

While I was giving publicity to the polling on 22 June and calling on the public to cast their votes, I came across a family of five, who said they had voted electronically but still wanted to cast actual ballots. Moreover, they would also take to the streets on 1 July so that each of them would be counted, all for the sake of not letting anyone distort the public opinion on the options for genuine universal suffrage and quantifying the public opinion for genuine universal suffrage.

President, Plato said, "One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors.". These people in the local community may not have heard this remark by Plato, but looking at the political environment nowadays and listening to the nonsense voiced by "LEUNG's team" on a daily basis, the blatant transfer of benefits and the use of lies to suppress dissent, all Hong Kong people can feel a chill down their spine over Hong Kong's future. However, we know that democracy is the only way forward.

I believe in the system, just as the students did in Tiananmen Square back then. I believe that a democratic system will take a place forward. Back then, the Tiananmen movement was suppressed and broken up. The students used their blood and lives to propagate the ideal of democracy among the Chinese people. That was the civil disobedience conducted two decades ago. Today, we propagate their ideal by campaigning for genuine universal suffrage, to such lengths as mounting a civil disobedience campaign as the last resort. We have taken up the baton from the students in Tiananmen Square and sown the seeds in Hong Kong, so that Hong Kong can become a "show flat" of a democratic system for the expansive China and well-being can be brought to our next generation through democracy.

I was once asked what the relationship between the vindication of the 4 June incident and democracy was. If we trace the origin, a fundamental principle of democracy is the respect for human beings as rational individuals. We cannot expect a Government that does not know how to respect people's lives to bring democracy to the people.

Each year, in calling vociferously for the vindication of the 4 June incident here, we want to awaken the conscience of the Chinese Government. We know that this is the basic moral prerequisite for a democratic Government. "One dream never fades, never dies, it lives in our hearts, forever". It is the dream of vindicating the 4 June incident as well as the dream of democracy over the vast expanse of Chinese soil that lives in our hearts.

With these remarks, I support the motion moved by Mr LEE Cheuk-yan.

**MS EMILY LAU** (in Cantonese): President, I speak in support of Mr LEE Cheuk-yan's motion. Just now, Mr Ronny TONG mentioned in his speech that some members of the public had questioned the meaning of debating this motion.

President, it is very meaningful. In which city or assembly in the People's Republic of China (PRC) can the 4 June incident be debated? Hence, we can see why so many people say that the hearts of the people are not reunified despite the handover of sovereign and the territory 17 years ago. Even you, President, has once commented that the hearts of the people have not yet reunited. Many of the people in Hong Kong will never forget the 4 June incident.

President, not a single word about the 4 June incident is mentioned in the whole White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region" released by the State Council Information Office on 10 June. Neither is it mentioned in the Report on the Work of the Current-term Government in its First Year — it should actually be the Second Year — announced yesterday by LEUNG Chun-ying and entitled "Seek Change, Maintain Stability, Serve the People with Pragmatism". This alone reflects that Beijing and the LEUNG Chun-ying clique are far from understanding Hong Kong people.

In the hearts of many Hong Kong people, the 4 June incident will never be forgotten. Many people will never forgive those responsible for the 4 June incident, either. But, why should it be vindicated? We just seek to conduct an investigation to examine what has happened and pursue responsibility, so that those people who have been hurt can be compensated. Only in this way can wounds be healed and the country move forward. I believe this day will come. If we look at other countries, we will find that they have had similar experiences. After a major trauma, a commission should be set up to examine what has actually happened.

Certainly, many people will say that the gap is growing increasingly wide. Look at the very peremptory nature of the XI Jinping clique. Recently, XI Jinping has indicated that a book will be published and ask the people to learn from MAO Zedong. This book will be studied by students in all Mainland schools, too. Although the CPC is led such an awesome leader, I believe Chinese people will gain an enhanced awareness and become increasingly mindful of fighting for their own rights. I believe China has to rely on Chinese people to attain democracy. However, the HKSAR can definitely have a role to play.

As a member of the China Human Rights Lawyers Concern Group, I have had contact with a lawyer. Whenever we talk, he will say that it is most important to preserve Hong Kong because, no matter what destruction or suppression it faces, Hong Kong is still the freest place with the highest degree of rule of law in China, or the PRC. If we manage to preserve Hong Kong, we will make a very significant contribution to the development of China.

The Government in Beijing has often condemned Japan for altering history, but has it not done the same? This is why many Chinese people, particularly some young people, have not heard of the 4 June incident. Recently, the lawyer I just mentioned came to Hong Kong to thank the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance) for painstakingly raising funds for the establishment of a June 4th Museum. Although the Museum is small in scale, very crowded and suppressed by the owners' corporation, I believe Mr LEE Cheuk-yan has no fear at all. Neither will the Alliance fear such petite suppression, for it is not even afraid of the suppression by the State. I hope that, through this Museum or whatever, the message of the 4 June incident can reach every corner of the world, including the PRC, so people will know what happened.

On the one hand, the CPC says that it represents the people, but on the other, it has killed so many people with its blood-stained hands. The people in Hong Kong are not asking us to use blood and revolutions to carry on struggles. Most of the Hong Kong people would like us to struggle in a peaceful, rational and non-violent manner. Civil disobedience, even if staged, should be conducted in a peaceful and rational manner, too. However, we in Hong Kong sometimes feel really ashamed when we see so many people on the Mainland being locked up and abused for no reason and human rights lawyers, human rights activists and ordinary citizens being subject to so much persecution for defending their own rights.

Hence, President, the 4 June incident merely gives people an annual opportunity to speak from the bottom of their heart. We really feel extremely indignant for so many people on the Mainland being subject to so many years of persecution. President, we very much hope to see people on the Mainland stand up soon to defend their interests and fight for democracy, human rights, freedom and the rule of law for themselves. Even though Hong Kong is such a small place, we will still spare no effort in helping them. I hope I can live to see a free and democratic China.

**MR CHAN CHI-CHUEN** (in Cantonese): President, the motion today consists of just one sentence: "That this Council urges that: the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated.". In this short sentence of about a dozen words, two highly controversial words can be found.

The first is "incident". Obviously, the 4 June incident is a massacre, a tragedy, a national trauma but in debating this motion in the Legislative Council of Hong Kong today, we can only use such a so-called neutral word without value judgment as "incident". To us, the so-called "without value judgment" is actually using a way that is laden with the most value judgment to evade the facts and the truth. However, we have no choice but to use this word "incident". I feel pathetic about this.

The other word is "vindicate". In recent years, the opinion that the word "vindicate" should not be used has emerged. In an editorial entitled "The burden of the 4 June Incident interlaced with love and hate should be set down", Mr LEE Yee said, and I quote to this effect, "The rights and wrongs of the 4 June incident are clear-cut and almost all people have drawn a conclusion in their minds, so there is no need for vindication. To demand the vindication of the 4 June incident is to ask the regime in China to do so ... under one-party dictatorship, vindication does not mean pursuing responsibility, nor does it mean examining and ending one-party dictatorship. It is expected that when those people who played a part directly in or agreed to the suppression pass away one by one, it may not be difficult for the vindication of the 4 June incident by the CPC to materialize, but this definitely does not mean that the reality of dictatorship of the CPC will change."

Here, I do not intend to debate with Members whether or not the word "vindicate" should be used in relation to the 4 June incident. Fortunately, no Member has proposed any amendment today. "Vindicate" may not be the word that most people or all people would be satisfied with, but I do not wish to see any Member refrain from supporting the motion today just because the word "vindicate" is not aggressive enough. Members must bear in mind that we cannot just stop at advocating the vindication of the 4 June incident. To denounce the butcher regime and demand accountability for the massacre is just as indispensable as the slogan "civil nomination is indispensable" printed on this piece of clothing of mine.

I remember that the first time I demanded vindication of the 4 June incident was in 1990, that is, the first anniversary of the 4 June incident. At that time, I was studying in Secondary Six in a government school and on a notice board in the school, two lines in very large characters read, "Say not Hong Kong people's hearts are dead/A sea of people clad in white commemorate the national martyrs.". I do not know if the teachers and principals in government schools

nowadays still have such magnanimity as to allow students and teachers to post such large characters on their campuses to commemorate the 4 June incident and campaign for its vindication.

I remember that in the debate on the motion on the 4 June incident last year, I recounted three stories. Today, I wish to continue with the second halves of these three stories. The first story is about inserting a beep right after "6" (June) whenever the 4 June is mentioned. I have a student who migrated to Hong Kong from the Mainland. She said that on the Mainland, one could watch Hong Kong television programmes but she had never watched programmes about the 4 June incident, nor did she know anything about the 4 June incident because whenever the narration in a television programme mentioned "6" (June) but had not yet said "4", a beep would be broadcast and a pot of flowers or fireworks would appear on the screen and the programme would be cut short.

I believe the reason for this student telling me about the insertion of a beep right after the mention of "6" (June) was her wish to tell me new arrivals value the freedom in Hong Kong very much. However, I do not know how long the freedoms in Hong Kong, such as freedom of the press and the freedom of the mass media, can last. From the devil in the details of the Copyright (Amendment) Bill 2014, which is dubbed the "Internet Article 23" to the establishment of the "Innovation and Traumatology Bureau", the establishment of which is being forced through the legislature, will Hong Kong be like the Mainland one of these days, in that censorship of the Internet will be imposed and uploading a single article about the 4 "beep" incident onto the Internet will not be allowed, and will we also be banned from visiting the YouTube website?

The second story is about "clock without 4 June". Some years ago, when hosting a programme jointly broadcast by Metro Radio and Radio Guangdong, I was told by the programme host of the other side, "'Slow Beat', today, you cannot mention two words in the programme — '6' (June) and '4'." Of course, I understood what this meant but in the end, it was the other person who mentioned those two words. Subsequently, I learnt that it was not the idea of the senior management of the radio station concerned, rather, it was the colleague concerned who was worried about this, so he personally bade me to do so.

Such an instance has been repeated in Hong Kong. Since our "Trailwalker Universal Suffrage" has successfully lobbied 700 000 people to cast their votes, surprisingly, Oxfam made a point of issuing a statement to distance

itself from us because Oxfam is the organizer of "Oxfam Trailwalker" and had registered the word "Trailwalker". In issuing a statement, they wanted to clarify that they had nothing to do with "Trailwalker Universal Suffrage". Some people working in Oxfam told me they had issued a statement not because such people as Elsie LEUNG or Bernard CHAN had exerted pressure on them, but because of the concerns of people in the middle and senior management. This instance bears testimony to one point, that is, "The master is not to be feared, nor is the lackey, it is the lackey of lackey that is the most fearsome."

The third story is "the war on Weibo (microblog)". One year, in the early morning of 4 June, I had a discussion on the 4 June incident on Weibo with the director of *City of Life and Death*, LU Chuan, but I was made to toe the line. Last year, I made some comments to friends working in the entertainment industry, reminding them of the need to face courageously what they said according to the dictates of their conscience back then because in working in the entertainment industry, they were artists, not hypocrites.

This year, many artists have done so. On Weibo, Anthony WONG and Wyman WONG merely called on everyone to vote on 22 June but their Weibo accounts were blocked, so this shows how the claws of the Mainland have affected the life of Hong Kong people. Let me say this to Weibo, "If they are really so capable, they should block the accounts of Mainland people and bar them from reading the messages left by Hong Kong people rather than blocking the accounts of Hong Kong people."

In the evening of 4 June, before the Appropriation Bill 2014 had been read the Third time, I went to the Victoria Park. I told members of the public at the MTR exit in Causeway Bay, "It does not matter if the feeble candlelights commemorating the 4 June incident go out and it does not matter if the candles all burn out this evening. What matters most is that the fire in our hearts does not go out. We must not be afraid of making sacrifices for democracy in Hong Kong. Only in this way can we face up to the friends killed in the 4 June incident back then." For this reason, 180 000 people took part in the candlelight vigil in the Victoria Park. I believe 800 000 people will take part in the 6.22 Civil Referendum. I hope an even greater number of people will take part in the 1 July march.

Lastly, I wish to talk about the Inventory of Intangible Cultural Heritage in Hong Kong published recently. The other day, at a meeting of the Panel on

Home Affairs, I asked the academic in charge of this matter why the candlelight vigil on 4 June was not included in the inventory. The gist of his reply was that intangible cultural heritage must have existed for three generations before it can be added to the inventory. If 25 years are regarded as one generation, even if a discount is given, it will take at least 50 years before it can be added to the inventory. I really hope that it is a matter of the number of years rather than a matter of politics. I do not know who would still be a Member 25 years later but if I am still a Member at that time, I would surely ask the officials and academics concerned this question: "Since 50 years have passed, can the candlelight vigil on 4 June and the 1 July march be added to the Inventory of Intangible Cultural Heritage in Hong Kong?". If none of the existing Members stays in the legislature by then, I hope the next generation will remember this.

The "June 4 Candlelight Vigil" and 1 July march are unique to Hong Kong and highly valuable, so they must be passed down from generation to generation.

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

**MR IP KIN-YUEN** (in Cantonese): President, the 4 June incident is the collective trauma of Hong Kong people which they do not wish to remember but cannot forget. It is also a historical trauma that the 1.3 billion people on the Mainland can neither touch nor mention. The 4 June incident, without our realizing it, has become a matter of 25 years ago. The lighting of candles at the Victoria Park for 25 years, or a quarter of a century, is like the dawning of hope in this piece of land on Chinese soil where tribute can be paid freely to those people killed in the 4 June incident. Not only is the truth of history lit up in darkness by a gigantic torch made up of candlelight, but also participants of the rally at the Park and many Hong Kong people who have experienced the 4 June incident bear witnesses to the truth. How dare we forget even though we do not wish to remember! Every year, the candlelight lit by tens of thousands of people, albeit heavy, reflect the passion deep inside people's hearts. We have persisted for as long as 25 years. Not only is this phenomenon a rarity in Hong Kong where the economy is everything, it is also a pride to Hong Kong people. I think it is very worthwhile if it can be declared an intangible cultural heritage.

President, the history of the 4 June incident must be addressed squarely. In particular, this year has seen the emergence of a large number of "true facts of the 4 June incident", so to speak. For instance, there are comments that there were no deaths or only a few casualties reported in the Tiananmen Square. Such "hypocritical rhetoric" is disgusting. How can the 4 June tragedy be classified as one taking place inside or outside Tiananmen Square? Why did many people suddenly reveal these so-called true facts? While even the Chinese officials have stopped making such comments, it is really shameful for so many Hong Kong people to make such an attempt to call a stag a horse.

However, I think that not only Hong Kong people have to face up to the truth squarely, but the Government in Mainland China should also do the same. Only through addressing squarely past mistakes can we truly take up the responsibility of the future. The "decade-long Cultural Revolution", which took place quite a long time ago, came to an end because it had been addressed squarely by the CPC, with the problem resolved through a resolution moved in the Third Plenary Session of the 11th Central Committee of the CPC, thereby resolving this trauma temporarily. Although this is by no means the ultimate solution — many people still hold diverse views on the relevant conclusion — the history has at least been addressed squarely. Such examples include our hope for the Japanese Government to address squarely its past invasion of China and various East Asian peoples and for Germany to address squarely its history of invasion. Different views held by different countries will actually give us different feelings. For instance, if we visit Germany or Japan again, we will form views on the relevant issues in vastly different manner. If the Chinese Government can address the history of the 4 June incident squarely, I believe the development of China will find entirely different possibilities. Hence, history must be addressed squarely.

President, apart from addressing history squarely, I believe the 4 June incident must be vindicated, too. The vindication of the 4 June incident implies a consensus reached between officials and society, so that the 4 June incident is treated as a proactive move by the people in pursuit of change rather than a riot. However, the official suppression during the incident was a grave mistake. The 4 June incident, if vindicated, can normalize the mindset of the people inside China because the expression "the 4 June incident" is often regarded as sensitive on the Mainland. Although it appears that people can usually express their opinions freely, when it comes to "the 4 June incident", they will be concerned about how people around them look at it and might have to mention it evasively.

As a result, the 4 June incident has become a trauma that cannot be touched or soothed in China. What is more, this has given rise to all sorts of problems during contacts between the people of China and the Chinese Government. Meanwhile, the regime of the Chinese Government has to make constant efforts in concealing its past history. As a result, it is rendered unable to meet the various aspirations of the people with empathy. Under such circumstances, the 4 June incident has become an obstacle which must be overcome for the development of China. In fact, so long as this problem can be resolved, China's road to development might be much broader than it is now.

China must move forward and overcome such psychological barriers. After that, the freedoms enjoyed by Chinese people must be broadened so that they can not only enjoy freedoms of travel in their daily life and purchasing various brand names, but also enjoy political freedoms. We hope that people on the soil of China can, like Hong Kong people, pay tribute to the 4 June incident in a normal manner. We also look forward to the day when the 4 June incident is vindicated.

I so submit.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan, you may now speak in reply. You still have one minute 18 seconds.

**MR LEE CHEUK-YAN** (in Cantonese): President, the pro-establishment Members have disappeared for most of the time just now. I would only like to say that history will remember them.

Mr WONG Yuk-man said in his speech that the rally held in Tsim Sha Tsui was the only rally for Hong Kong people to remember the 4 June incident. I would like to clarify it. May I ask him whether he was implying that the one held at the Victoria Park was not a 4 June rally for Hong Kong people? I would like to call upon Members to stop saying that the rally held in Tsim Sha Tsui is

the only rally for Hong Kong people, whereas the one held at the Victoria Park is not. I hope Members can really unite together in facing this regime. I find it most unfair for people to say that the Hong Kong Alliance in Support of Patriotic Democratic Movements of China is not a local movement. In fact, it has the greatest localist characteristics underpinned by the local values embraced by us. From our struggle since 1989 to our opposition to the enactment of legislation on Article 23 of the Basic Law on 1 July in 2003, we had been, and indeed we have been fighting for democracy for both China and Hong Kong, which is founded entirely on the core values of the local community.

Now I urge the general public to come forth and participate in the 1 July march because Hong Kong is in the middle of a crisis and, in the face of the CPC regime, our "one country, two systems" (*The buzzer sounded*) ... and a high degree of autonomy have been damaged. This is why we must all come forth on 1 July.

Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEE Cheuk-yan be passed. 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 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, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the motion.

Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr MA Fung-kwok, Mr KWOK Wai-keung and Mr Martin LIAO voted against the motion.

Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr Albert CHAN, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the motion.

Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT and Mr Christopher CHUNG voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, nine were in favour of the motion, seven against it and nine abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 14 were in favour of the motion and eight against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

### **SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): It is now seven minutes to 10 pm. I believe all items of business on the Agenda could not be finished before midnight. I now suspend the meeting until 9 am tomorrow.

*Suspended accordingly at seven minutes to Ten o'clock.*

呈

香港特別行政區  
立法會主席及全體議員

(只備中文本)  
(in Chinese only)

**呈請書**  
**(根據議事規則第 20 條提交)**

今年四月，政府及香港鐵路有限公司(“港鐵公司”)宣佈廣深港高速鐵路(“高鐵”)香港段未能如期於 2015 年完成及通車。其後政府及港鐵公司披露的資料顯示，港鐵公司及政府早於去年已得悉高鐵香港段或未能如期完工，然而從未向公眾及立法會交代。資料亦顯示，政府有關部門對港鐵公司的監督及港鐵公司的內部管治及工程監督存有漏洞。由於當初政府向立法會申請撥款近 670 億元進行高鐵工程，故此立法會有必要跟進事件，追究相關政府官員及港鐵在高鐵香港段工程延誤一事中的責任，並保障公帑運用。

儘管政府已宣佈成立三人的獨立專家小組，而港鐵亦委任一個由獨立非執行董事組成的委員會，以檢討有關事件。然而，政府已表明獨立專家小組不會追究相關官員或港鐵責任。而港鐵基於本身利益，亦令公眾難以信任港鐵提交的報告能夠全面反映事件，從而無法讓公眾了解政府部門及港鐵公司在事件中應承擔的責任。

因此，我們懇請各位議員支持此呈請書，以確保公帑用得其所，讓公眾了解高鐵工程延誤上所出現的問題的原委及有關事宜，包括運輸及房屋局、路政署及其他政府部門在高鐵香港段工程延誤一事中有否妥善履行監督責任、有否蓄意隱瞞公眾或涉及其他瀆職行為，以及港鐵在高鐵工程延誤一事上的失責行為及責任，並根據調查的結果，就日後政府監管新鐵路項目的興建及如何加強對港鐵的管治及有關事宜作出建議。

呈請人：胡志偉 莫乃光 李卓人 何秀蘭 張國柱 張超雄 梁耀忠  
葉建源 梁繼昌 梁家傑 湯家驊 毛孟靜 郭家麒 陳家洛  
郭榮鏗 馮檢基 劉慧卿 何俊仁 涂謹申 單仲偕 黃碧雲  
李國麟 范國威

2014 年 6 月 18 日