

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 8 January 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 KIN-POR, B.B.S., J.P.

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

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

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

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 TONY TSE WAI-CHUEN

MEMBERS ABSENT:

THE HONOURABLE CHAN HAK-KAN, J.P.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

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

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

MR ERIC MA SIU-CHEUNG
UNDER SECRETARY FOR DEVELOPMENT

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

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

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

PRESIDENT (in Cantonese): Members, we have failed to start our meeting on time due to the absence of a quorum almost on every occasion. I once again remind Members to be punctual when attending meetings.

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>
Antiquities and Monuments (Declaration of Historical Buildings) (No. 2) Notice 2013	206/2013

Other Papers

Report No. 8/13-14 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

Report of The Legislative Council Commission on the use of mobile applications and social media websites to disseminate information on the Legislative Council

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

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

Urgent Measures to Halt Circulation of Counterfeit Banknotes

MR SIN CHUNG-KAI (in Cantonese): *President, as counterfeit \$1,000 denomination banknotes of the 2003 series are found in the market and the circulation of banknotes will surge before the Lunar New Year, will the Government inform this Council:*

- (1) *whether it will require various banks to immediately withdraw all 2003 series of \$1,000 banknotes from circulation; if it will, of the timetable; if not, the reasons for that, and what immediate measures it will adopt to prevent the problem of counterfeit banknotes from deteriorating; and*
- (2) *whether it will require various banks to complete the recalibration of all cash deposit machines in the territory expeditiously and before the Lunar New Year, so as to avoid accepting counterfeit banknotes, and ensure that counterfeit banknotes deposited with the banks through these machines will not be circulated in the market?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President,

- (1) In 2010, when the Hong Kong Monetary Authority (HKMA) introduced a new series of banknotes, it also arranged for the gradual withdrawal of the 2003 series from the market, with a view to replacing the relatively worn-out 2003 series notes with the new series. The HKMA and banks will speed up the process of replacement but the timing has to depend on how fast banknotes will return to banks from circulation.

Those who do not want to have any 2003 series \$1,000 banknotes can request new series notes when withdrawing cash from banks, or replace their older series notes in hand with the new series ones at banks, without waiting for a total recall. In fact, there is currently no need for a total recall of the 2003 series \$1,000 notes lest it might cause even greater inconvenience and unnecessary disruptions to the general public and businesses.

For the time being, it is important to promote public knowledge of banknotes so that they can fully understand how to identify counterfeit notes. Although the newly spotted counterfeits contain imitation of some of the security features in the real notes, the public can still quite easily identify the counterfeits. In particular, the yellow fluorescent barcode on the front of the counterfeit notes is relatively dull and dim when viewed under an ultraviolet lamp. The edges of the metallic thread on the back of the counterfeits are much smoother, and the printing is of poorer quality with flaws. So far, about 100 such Bank of China Hong Kong (BOCHK) and HSBC \$1,000 counterfeit notes were seized by the police, and the number of counterfeit notes seized recently is not exceptionally high. The HKMA and the police have so far organized a number of seminars on identifying counterfeit notes. Apart from bank staff, employees of major retail and catering chains were also invited to help strengthen their ability to detect counterfeit notes. To facilitate a wider and more convenient access to information on the features of genuine and fake notes and their key differences, the HKMA has uploaded onto its website a video on the explanations given at the seminars. This educational work will continue. The HKMA will keep in close liaison with all banks in Hong Kong with a cash-handling business, and request them to provide staff with appropriate information and training concerning the features of counterfeit notes. Banks are also asked to ensure that there is enough manpower to carry out banknote examination work and provide assistance for customers.

As demand for banknotes before the Lunar New Year will increase, the HKMA has further requested banks to ensure a sufficient stock of banknotes and enough manpower to meet the public demand.

- (2) The HKMA has required banks to ensure all \$1,000 notes dispensed over the counter by tellers or via automatic teller machines (ATMs) are duly verified and genuine. All \$1,000 notes deposited through automatic cash deposit machines will be sent back to bank vaults for verification before they are sent back to bank counters or ATMs for circulation.

At the same time, the HKMA has required all banks to examine and recalibrate their cash deposit machines to enhance their capability for detecting the 2003 series BOCHK \$1,000 counterfeit banknotes. During the process of examination and recalibration, some of these machines may decline the deposit of 2003 series BOCHK \$1,000 banknotes. The HKMA has urged banks to speed up the examination and recalibration of all cash deposit machines and is monitoring closely the progress, in order to ensure that the normal operation of these machines can resume as soon as possible. Once the process is completed, cash deposit machines will accept the deposit of all banknotes.

MR SIN CHUNG-KAI (in Cantonese): *President, in the main reply, the Secretary has made it clear that banks still dispense banknotes of the 2003 series through ATMs or tellers. Two days ago, I also obtained some banknotes of the 2003 series from an ATM, but the Chinese restaurants in the market had already put up notices stating that they would not accept \$1,000 banknotes. May I ask the Secretary what the public should do?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I would like to stress again here that, as I mentioned in the main reply just now, all the \$1,000 banknotes obtained by the public through ATMs or counter services at present have been verified and are genuine. So there is really no need to worry in this regard, as the banknotes are all verified genuine.

Of course, we also understand that following the recent discovery of counterfeit \$1,000 banknotes, it is natural for the public to have grave concerns and worries about this problem. Moreover, initially when this problem surfaced, many members of the public refused to accept \$1,000 banknotes as the degree of resemblance of such counterfeits to genuine ones seemed to be quite high, and they could not fully fathom out the features of the counterfeits or the differences between them and the genuine ones. So what we are doing now, which is also what the HKMA is laying great stress on and proactively doing, is repeatedly disseminating information to apprise the public of the differences between counterfeit and genuine banknotes.

In addition, as I said just now, the HKMA and the police have so far organized a number of seminars. A total of 15 seminars have been held. Apart from bank staff, employees of major retail and catering chains were also invited to participate, as they would receive banknotes from the public in the market as well. Our objective was to teach them how to differentiate between genuine and counterfeit banknotes. A total of 3 000 people attended the seminars. After witnessing the process of verification, they have realized that genuine and counterfeit banknotes have different features, and that the differences between the two can be seen clearly under an ultraviolet lamp. Those attending the seminars generally have high confidence that they can differentiate counterfeit banknotes from genuine ones. We thus hold the view that this initiative can allow the staff of retail shops to begin to understand how to identify counterfeit banknotes, and enable them to have more confidence in accepting \$1,000 banknotes after understanding the differences between genuine and counterfeit banknotes.

MR SIN CHUNG-KAI (in Cantonese): *The Secretary has not answered my supplementary question. If Chinese restaurants refuse to accept the \$1,000 banknotes which the public have obtained through ATMs, what should the public do?*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, for the time being, there are certainly shops which refuse to accept \$1,000 banknotes as they have yet to understand the relevant situation, but we will make continuous efforts to explain to business operators that there are actually ways to distinguish between genuine and counterfeit \$1,000 banknotes, which can be easily identified with just an ultraviolet lamp. Therefore, we will keep doing work in this direction, and we are confident that once we have raised the confidence of business operators, more of them will be willing to accept \$1,000 banknotes.

MR VINCENT FANG (in Cantonese): *President, although the Secretary has indicated in the main reply that genuine and counterfeit banknotes can be easily differentiated from each other, it is actually not that easy in my view. The police*

have claimed that the number of counterfeit banknotes seized is not large, as there are only about 100 of them, but as far as I am concerned, people printing counterfeit banknotes would definitely print them in bulk rather than in small quantities. If such counterfeit banknotes keep flowing into the market, front-line staff in the retail industry will be under immense pressure as they are the ones who have to differentiate between genuine and counterfeit banknotes. What is more, the results of banknote authentication devices may not be always accurate. If a front-line staff member receives a counterfeit \$1,000 banknote and then unknowingly deposits it in a bank before it is found to be fake, will the police suspect that such a counterfeit banknote belongs to the staff, and charge him or her with the offence of using a counterfeit banknote? This is a problem that front-line staff are extremely worried about.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): We certainly understand the phenomenon mentioned by the Honourable Member, but we take the view that by virtue of what we are doing now, we should be able to restore public confidence in \$1,000 banknotes.

As for the latter part of Mr FANG's supplementary question, if members of the public unfortunately receive and use counterfeit \$1,000 banknotes, will there be problems? Here, I can make it clear that every time a bank receives any counterfeit \$1,000 banknote, the police will certainly follow up. But generally speaking, if members of the public unknowingly receive and use suspected counterfeit banknotes, as long as they themselves have no criminal intent, they are not regarded as committing an offence. The police will investigate on a case-by-case basis, and we also suggest that if members of the public have any doubts, they can hand such banknotes over to the police or banks for handling. Yet, regarding the question asked by the Honourable Member just now, generally speaking, if members of the public unfortunately receive and use counterfeit banknotes, they do not commit an offence as long as they have no criminal intent.

MR CHRISTOPHER CHEUNG (in Cantonese): *President, as Mr Vincent FANG said just now, the problem of counterfeit \$1,000 banknotes has already affected the daily lives of people. While officials from the HKMA have earlier given assurances and stressed that compared to foreign countries, the number of local counterfeit banknotes is relatively small as we have only 1.4 counterfeit banknotes in every million banknotes, this is not the view held by the public. At*

present, many small traders refuse to accept \$1,000 banknotes in order to protect themselves, resulting in a jittery market where people are on tenterhooks and many normal business transactions are affected, and this even deals a direct blow to the stability of the local financial system. May I ask if the Government has any clue about the background and motive of the crime syndicate in this incident, and whether it has any countermeasure to tackle it?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): At present, apart from our efforts to restore market confidence, the police are also investigating the recent counterfeit banknote incident. I can only say that the police are proactively probing the source of this new variety of counterfeit \$1,000 banknotes, but as the case is still under investigation, I cannot disclose the details of it. We had also discovered counterfeit banknotes before, and the police had been following up various types of counterfeit banknote cases and had arrested relevant persons.

As for the first part of the Honourable Member's supplementary question, since counterfeit banknote cases have occurred from time to time, we recognize that they certainly have an impact on public confidence. We are now tackling this issue, and we believe that by virtue of what we keep doing at present, we definitely can restore public confidence in \$1,000 banknotes.

MR ANDREW LEUNG (in Cantonese): *President, there are actually only three-odd weeks to go until the Lunar New Year, and this is also a traditional shopping peak season for Hong Kong people. However, at present, some business operators not only refuse to accept \$1,000 banknotes, but also even refuse to accept \$500 denomination banknotes. Now that the Government claims that a lot of work has been done, may I ask what enhanced measures the Government has in place in these three-odd weeks during which the volume of spending will reach its peak, and what is the legality of refusing to accept banknotes in denominations of \$1,000 and \$500?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Regarding the new series of banknotes and the situation of the Lunar New Year, when we rolled out the new 2010 series of banknotes, we already made an all-out effort to print them with a view to replacing worn-out banknotes

of older series with the new series. As in the past, in the period leading up to the Lunar New Year, people's demand for banknotes will increase, and I believe that local banks will prepare enough banknotes to meet people's demand for replacing banknotes and using new banknotes during the Lunar New Year period. As for the other part of the Honourable Member's supplementary question, I am sorry that it has slipped my mind. May I ask what it is about?

MR ANDREW LEUNG (in Cantonese): *What is the legality of refusing to accept banknotes in denominations of \$1,000 and \$500?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Regarding the issue of refusing to accept banknotes, people certainly view banknotes as legal tender. It is a common understanding that regardless of whether the denomination is \$1,000 or \$500, any banknotes issued by note-issuing banks are legal tender. According to legal requirements, legal tender is regarded by law as a means of payment to adequately and effectively fulfil payment obligations, and this is also a legal definition.

However, in ordinary commercial transactions, both parties can determine the terms of transaction on their own, including the means of payment. So whether to accept a particular type of banknotes as a means of payment is indeed a commercial decision for business operators. The legislation does not confer any authority upon the Government to force business operators to accept any banknotes, because this is a trading decision between business operators and their customers. Of course, counterfeit banknotes were also found previously, but we had ways to deal with them, and we addressed the problem through enhanced verification procedures, issuance of new banknotes and enhancement of security features. We will continue to adopt and step up these methods with a view to building up public confidence in banknotes, which is the best approach to combat counterfeit banknote syndicates.

DR PRISCILLA LEUNG (in Cantonese): *President, with the Lunar New Year just around the corner, long queues have started to appear at banks. As regards the difference between the 2003 series and 2010 series of \$1,000 banknotes, the public actually know little about it, and there is only panic. According to my personal experience during my vacation, cinemas, taxis and eateries invariably*

refused to accept \$1,000 banknotes, and there was even one occasion when a \$500 denomination banknote was rejected. The situation is actually rather chaotic.

While the Secretary has indicated that a lot of work has been done, such as the seminars organized for 3 000 people, can the Government introduce some emergency policies that are more holistic? As many troubles will really ensue during the Lunar New Year period, can the Government formulate policies such as allowing business operators to be exempted, in certain circumstances, from being held liable even if it has used a counterfeit banknote, as long as the banknote is used in a normal channel? Now that the Bureau has traced so many leads and indicated that only 100-odd counterfeit banknotes were seized, can it tackle the problem through emergency polices during this period?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): If I understand the Honourable Member's supplementary question correctly, does it mean to suggest that it is okay to have counterfeit banknotes?

DR PRISCILLA LEUNG (in Cantonese): *That is not what I mean. When answering Mr Vincent FANG's supplementary question, the Secretary seemed to indicate that when prosecution is initiated, it is necessary to produce evidence. So is it possible to reduce troubles for business operators at the first stage by stipulating that as long as it is proved that the business operators concerned accepted such banknotes under reasonable circumstances and in accordance with basic and reasonable procedures, they shall not be required to go through the process of being prosecuted and answering charges? It is because what people fear most is precisely such time-consuming procedures.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): As far as the work of the police is concerned, I can repeat what I said just now, that is, if people have no criminal intent, they do not commit an offence. The police will certainly handle each case on its own merits.

But we must understand that upon learning that there are counterfeit banknotes in the market, people will of course avoid receiving them as far as possible, and this is totally understandable. Therefore, what we need to do is to

find ways to boost people's confidence, and there are actually a few ways to go about it. First, if people have banknotes of the 2003 series in hand, they can go to banks to have them replaced with the new series. As to banknotes withdrawn from ATMs, they must be verified genuine banknotes. Moreover, after we have raised awareness of this situation among business operators and the public, there is now less panic in the market. In our view, after this incident and with our efforts, the market has indeed gained much more confidence in telling counterfeit banknotes from genuine ones. The HKMA's webpage on differentiating between genuine and counterfeit banknotes has recorded a hit rate of 500 000, which shows that we have done a pretty good job in disseminating information.

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

DR PRISCILLA LEUNG (in Cantonese): *Just a few words. I hope that the Secretary ...*

PRESIDENT (in Cantonese): Dr LEUNG, the Secretary has already answered. Please sit down. If you have any views, please raise them on other occasions.

MR JAMES TO (in Cantonese): *President, the Secretary indicated in his last sentence just now that the webpage disseminating information on genuine and counterfeit banknotes has recorded a hit rate as high as 500 000. This actually demonstrates how worried people are. Even though they have received such information, the fact is that many front-line workers, particularly retail business operators, refuse to accept the relevant banknotes, especially \$1,000 banknotes of a particular series. While the Secretary said just now that banknotes withdrawn from ATMs should be genuine, this does not serve any purpose because after the banknotes have been used, retail workers simply have no way to tell whether the banknotes are from ATMs ...*

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

MR JAMES TO (in Cantonese): *So, President, when a particular type of banknotes almost cannot be circulated in the community, or when most retail shops that actually use banknotes are unwilling to accept and, through certain lawful terms and means, refuse to accept a particular type of banknotes, is it still necessary and feasible for that type of banknotes to continue to be circulated? Should the Government seriously consider a total recall?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, we certainly understand the reason why the Honourable Member asked this question. How should we build up public confidence? In my opinion, whether we can build up public confidence depends on whether we can introduce different security features that distinguish new banknotes from old ones. At first, people were not aware of the differences between genuine and counterfeit banknotes, and hence did not dare to accept them. That is perfectly understandable. However, according to the experience obtained at the seminars attended by 3 000 people, after we explained the differences between genuine and counterfeit banknotes, and pointed out in particular that such differences could be seen very clearly under an ultraviolet lamp as shown on the HKMA's webpage, those attending the seminars, including many workers from retail and catering groups, are now confident that they can tell counterfeit banknotes from genuine ones, and they also have ultraviolet lamps with them. So we believe that once people understand the actual situation, their concerns will be gradually allayed, and we will continue our efforts to teach people in the trades how to differentiate between genuine and counterfeit banknotes.

MR WONG KWOK-HING (in Cantonese): *President, it appears to me that the Secretary has only touched on the problem lightly in his replies without really focusing on addressing public concerns. Suppose there is an innocent person who has a \$1,000 banknote and he or she has no idea whether it is genuine or fake, and retailers refuse to accept it. In the circumstances, if the Secretary or the HKMA can undertake that no matter where the \$1,000 banknote is from, it can be replaced as long as it is given to a bank and that person will not suffer any loss, then all problems will be readily solved. But this is not the case at present, because I have enquired of some bank staff and have been told that if any \$1,000 banknotes that people hand over to banks for replacement are found to be fake, even if they do not deliberately use such counterfeit banknotes, they will suffer*

losses as those counterfeits cannot be replaced with genuine \$1,000 banknotes. This is precisely where the problem lies.

So, I wonder if the Secretary can answer my question. If a member of the public somehow comes into possession of a counterfeit banknote unintentionally from an unknown source, and he or she can still have it replaced with a genuine banknote at a bank without suffering any loss, the public will have confidence for sure. But can the Secretary give an affirmative answer to this?

PRESIDENT (in Cantonese): Secretary, can banks welcome counterfeit banknotes from the public and replace them with genuine ones?

MR WONG KWOK-HING (in Cantonese): *The point is, members of the public do not deliberately possess such banknotes. In the circumstances, how can the authorities ensure that the public will not suffer losses?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I appreciate the supplementary question from the Honourable Member. As I said just now, the police have to follow up each case. We are now investigating the source of such counterfeit banknotes, and in order to do so, we will follow up every lead. However, as I explained just now, if people do not have the intent to deliberately commit a crime, then generally speaking they do not commit an offence. That said, the police will of course handle individual cases separately.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not answered my supplementary question. I am not asking whether they commit an offence. My question is: given that innocent people in possession of counterfeit banknotes are made to suffer losses for no reason at all, can the Government, as the regulatory authority of the note-issuing banks, shoulder the responsibility so that innocent people will not suffer losses?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): As put by the President just now, the supplementary question is

whether counterfeit banknotes are allowed to become genuine ones. The answer is of course no.

MISS ALICE MAK (in Cantonese): *President, we are now facing many problems. Hong Kong style cafes refuse to accept \$1,000 banknotes, and this is certainly justified. But now, some large institutions such as hospitals also refuse to accept \$1,000 banknotes, and even \$500 denomination banknotes are rejected. May I ask the Secretary what people can actually do when shops refuse to accept their banknotes? I remember that a few days ago, some members of the public called the police because the banknotes in their hands, which they considered to be currency in circulation recognized by the Government, was not accepted. So actually, is it illegal to refuse to accept banknotes?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I appreciate the Honourable Member's supplementary question. We understand the reason why this question was asked. We cannot say that refusing to accept banknotes is illegal because, as I said in reply just now, whether a particular type of banknotes can be used for payment is a commercial decision. What we need to deal with at present is how to resolve the confidence problem stemming from the public's lack of knowledge, especially at the initial stage, on how to differentiate between genuine and counterfeit banknotes. As for some large institutions, we think that they should be able to tell counterfeit banknotes from genuine ones. So, regarding our work in this area, I have said from the beginning that we will continue our efforts to deal with it. Should Honourable Members discover that there are certain large organizations refusing to accept banknotes, you may pass relevant information to us or the HKMA to follow up, and we will see if some educational work can be done. With the community's gradual understanding of the facts, I believe that this problem can definitely be resolved.

MR LEUNG CHE-CHEUNG (in Cantonese): *President, the present counterfeit banknote problem has indeed caused a huge panic. This panic has arisen not only from retailers refusing to accept banknotes, but also from banks refusing to accept banknotes. The Secretary indicated just now that banks would not refuse to accept banknotes, but have you looked into this situation? Notices of "out of order" are now stuck on all cash deposit machines of banks which refuse to*

accept banknotes. Maybe this is because, as the Secretary said just now, they are undergoing examination and recalibration. But under these circumstances, people feel even more helpless as their banknotes can neither be deposited with banks nor accepted by retailers. Are they supposed to keep their banknotes as antiques at home?

May I ask what the Government can do in these circumstances to enable banks to verify the authenticity of banknotes for the public more smoothly? The crux of the present problem is that there is no one to verify the authenticity of banknotes, and people have to wait two hours before the bank ...

PRESIDENT (in Cantonese): Mr LEUNG, you have asked your supplementary question. Please let the Secretary answer.

MR LEUNG CHE-CHEUNG (in Cantonese): *May I ask the Secretary how the authorities can assist the public in verifying the authenticity of banknotes?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I would like to clarify here that all banks do accept \$1,000 banknotes of different series from the public. If members of the public consider that they need to deposit their \$1,000 banknotes of a particular series with banks, or to have them replaced with banknotes of another series, banks will definitely deal with them. There does not exist a situation in which banks refuse to accept the banknotes.

As I understand it, what the Honourable Member referred to just now may be automatic cash deposit machines. As I pointed out in the main reply, since automatic cash deposit machines need to be recalibrated to distinguish the 2003 series BOCHK \$1,000 banknotes, they do not accept this type of banknotes for the time being until the recalibration is completed. But then, I hope that upon completion of the recalibration, automatic cash deposit machines will be able to accept the 2003 series BOCHK \$1,000 banknotes very soon. Yet, if members of the public have any doubts, they can go to banks for replacement or deposit of banknotes, and there does not exist a situation in which banks refuse to accept banknotes.

MR WU CHI-WAI (in Cantonese): *President, Honourable colleagues have cited many examples showing that a lot of eateries and retail shops refuse to accept \$1,000 banknotes. In my opinion, as nothing can be done, can the Secretary just do one thing, that is: require banks to suspend dispensing \$1,000 banknotes via their ATMs? This is because if people use bank counter services, they can certainly refuse to withdraw \$1,000 banknotes, but when they withdraw cash from ATMs, they cannot do so. A suspension of this arrangement can at least offer a little assistance to the public in tackling the problem of \$1,000 banknotes, so that these banknotes will stop going in and out of the banks' systems. Given that ATMs are a common means of cash withdrawal by many members of the public, can the authorities use this method to assist the public in at least alleviating the problem of often getting \$1,000 banknotes when making withdrawals from ATMs?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): As a matter of fact, we can tell which ATMs dispense banknotes in denominations of \$1,000 and \$500, so members of the public are free to make their own choice. A total ban on dispensing \$1,000 banknotes via ATMs will make it impossible to meet the market demand for \$1,000 banknotes.

Let me reiterate that all \$1,000 banknotes dispensed via ATMs have been verified and are genuine.

MR WU CHI-WAI (in Cantonese): *Sorry, what I mean is whether the Secretary will consider arranging for ATMs to only dispense \$500 denomination banknotes as a short-term or temporary countermeasure. With the Lunar New Year just around the corner, are members of the public supposed to hold their \$1,000 banknotes with no way to spend them?*

PRESIDENT (in Cantonese): Mr WU, the Secretary has already answered. Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I have nothing to add. Actually there should be no problem if members of the public want to withdraw \$500 denomination banknotes.

PRESIDENT (in Cantonese): This Council has spent more than half an hour on this urgent question. The Secretary has explained clearly what measures the Government has taken and is going to take in respect of this issue. This urgent question ends here.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Monitoring Use of Bitcoins

1. **MR CHAN KAM-LAM** (in Cantonese): *President, it has been reported that speculation on bitcoins, a virtual currency, is rife all over the world at present, with their prices surging by a hundred-fold within a short period of one year. In his reply to a question raised by a Member of this Council on 18 December last year, the Secretary for Financial Services and the Treasury advised that such a product generated from the virtual world was not an electronic currency (e-currency) and it was not qualified to be an e-currency as a medium of payment since its value persistently surged and plunged substantially. The Secretary also reminded members of the public of the risks of investments in bitcoins and said that the Government would monitor its development closely. In this connection, will the Government inform this Council:*

- (1) *given that the Notice on Precautions Against the Risks of Bitcoins (the Notice), issued on 5 December last year jointly by five Mainland ministry/commissions such as the People's Bank of China, has pointed out that bitcoins have no legal status equivalent to that of a currency, and the Notice has expressly required that at the present stage all financial institutions and payment institutions must not embark on any bitcoin-related businesses, including the provision of services such as payment, clearing and settlement for transactions involving bitcoins, whether the Government has approached the Mainland authorities to understand these policies and measures regarding bitcoins; whether it will consider implementing similar policies and measures in Hong Kong; if it will not, of the reasons for that; and*

- (2) *as it has been reported that the Hong Kong Monetary Authority (HKMA) advised earlier that bitcoins were outside its regulatory ambit but it would monitor the use of bitcoins in Hong Kong, whether the authorities know the current situation concerning the use of bitcoins in Hong Kong; whether they have drawn up contingency measures to deal with the situation where speculation on bitcoins has impacted on the financial system of Hong Kong?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, with the rapid development of the Internet and information technology, the use of bitcoins or other virtual currencies for trading has emerged in recent years, causing concerns from all over the world and the local community. It would be quite risky to convert, trade or hold such virtual currencies as their value is not backed by any physical items, issuers or the real economy. There are specified upper limits to the overall size of the issue of such virtual currencies, but no guarantee of their convertibility into a legal tender or commodities in the real economy. Also, the price of virtual currencies may be susceptible to significant fluctuations due to individual speculative activities.

In fact, the value of a single bitcoin was only US\$20 in early 2013. It surged to US\$1,000 in November 2013 before slumping to US\$600 to US\$700 in end-2013. It could be up by a fifty-fold within half of a year or so. It could also be down by nearly a half in just a month or so. Virtual currencies are by nature a kind of virtual commodities created in the virtual world. Given its volatility in price, it appears difficult for this kind of virtual commodity to have mature conditions to become a commonly-used medium of payment or an e-currency. As such, the Government has been reminding the public of the nature of virtual currencies and to be aware of the security and risks involved. My reply to the two parts of this question is as follows:

- (1) We note that the development and use of bitcoins vary from place to place. Supervision also varies, depending on the market development of bitcoins. In Hong Kong, the Government and the relevant regulators have been keeping a close watch on the use of bitcoins locally, and the latest global development of relevant regulatory requirements, including the Notice jointly released by the People's Bank of China and four other authorities.

According to the regulatory requirements of the HKMA, banks in Hong Kong are required to assess stringently the risks brought by any new businesses and services they provide. So far, the HKMA has not received any report from banks concerning the development of business associated with bitcoins or other virtual commodities. As such, HKMA has not implemented measures in relation to the banking sector to the similar effect of the Notice.

- (2) In Hong Kong, bitcoins and other virtual currencies have not yet been widely accepted as alternative mediums of payment or e-currencies. We note that only a very small number of local vendors would be willing to accept bitcoins as a medium of payment, and some had not yet received any payment in bitcoins. The HKMA's enquiry with some of the major banks in Hong Kong reveals that neither bitcoin transactions nor bitcoin-related investment products have been launched. At present, the acceptance of bitcoins by local vendors as a medium of payment is so limited that it is unlikely that bitcoins will pose a significant threat to Hong Kong's financial system. Nevertheless, the regulators will remain vigilant about the development of such virtual currencies to ensure that their use will not undermine the financial stability of Hong Kong.

In general, as virtual currency transaction data contains no information on the identity of the trading parties, it is very difficult to trace a transaction. As a result, the virtual currency may be used for criminal activities, such as transactions relating to money laundering or illegal fund raising. Like many other regions, Hong Kong at present has no legislation directly regulating bitcoins and other virtual currencies of similar kind. However, our existing laws (such as the Organized and Serious Crimes Ordinance) provide sanctions against unlawful acts involving bitcoins, such as fraud or money laundering.

Also, local regulators have maintained close liaison with their counterparts all over the world, including the regulatory bodies on the Mainland, and exchanged views on the development of bitcoins and the ways of addressing the issue. We note that European countries and the United States do not have any specific legislation

on bitcoins. Regulators of these countries are still monitoring the developments and have not taken further actions. The Government and the regulators will continue to monitor closely the use of bitcoins in Hong Kong as well as the latest global development of regulatory requirements (particularly in relation to the money laundering risk posed by virtual currencies) and will consider if any further follow-up actions are required.

Finally, I would like to take this opportunity to remind those who intend to use bitcoins for trading or investment to exercise extra caution, given the highly speculative nature of bitcoins. Consideration must be given to the risk factors such as the price volatility and the lack of backing by any physical items, issuers or the real economy to avoid losses from the use of or investment in bitcoins.

MR CHAN KAM-LAM (in Cantonese): *President, although the Secretary has repeatedly stressed in his main reply that bitcoins have not been widely used in Hong Kong, we have obviously observed that bitcoins have become a speculation tool in the financial investment sector. In November last year, a company registered in Hong Kong which was actively engaged in financial investment business in the Mainland, especially in bitcoin investments, closed down. As Hong Kong is a financial centre, many people mistakenly think that this company, being registered in Hong Kong, should be credible and reliable, they thus invested heavily. Nevertheless, we eventually found that the so-called registration and registered addresses were fake. Such extensive deceptive practices have significantly undermined the reputation of Hong Kong as an international financial centre. Even though the Secretary has repeatedly appeal to the public to be careful, I would like to ask if he will consider afresh strengthening the monitoring of these criminal or deceptive activities and even banning them?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, this issue involves a few aspects. First, if the activities do involve fraudulent or criminal acts, we will certainly conduct investigations within the local legislative framework and take enforcement actions. I have particularly mentioned money laundering because the international regulators and the governments of various countries have been keeping a close eye on the development of the use of bitcoins, for they are worried that bitcoins may become

a medium of money laundering. Regardless of whether commercial or deceptive activities are involved, as a commodity in the virtual world will have fervent fans and followers, an atmosphere will be created worldwide, with the saying that bitcoins will become a new medium of exchange. Since this will result in a popular craze on the Internet, we must tell the public the intrinsic quality and nature of bitcoins, especially the risks involved. The Government had already issued a message to the public, calling on them to guard against the risks. As to the next step, we will closely monitor if bitcoin speculation on the Internet would develop and has impacts on our financial system.

Second, if bitcoins become the basis of some investment products, legislation on financial regulation is definitely involved and we will monitor the situation. At the moment, I can only say that we will closely monitor the development of bitcoins. Just like us, many governments and regulators over the world think that bitcoins is not a legal tender and it will not easily become a medium of exchange. However, we must be careful and remind fervent Internet users the nature of bitcoins. We will also monitor the development and take follow-up actions.

MR WONG TING-KWONG (in Cantonese): *Regarding virtual currency such as bitcoins which is not a legal tender, I would like to ask the authorities if it is sufficient merely to remind the public. Will consideration be made to enacting legislation to prohibit trading in such currency? If it will, when will legislation be enacted? If not, what are the reasons?*

PRESIDENT (in Cantonese): The Secretary has already stated the Government's position on this issue. Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, since Mr WONG has raised this supplementary question, I would elucidate further. We do not think that bitcoins or similar virtual currencies have the conditions to become a medium of exchange or a medium of payment. Although we can find such arguments on the Internet, judging from the nature of bitcoins, we think it can hardly become a medium of payment because of its price volatility as there is an upper limit to the size of this virtual currency and its value is not backed by any physical items or the real economy.

Therefore, we conclude that bitcoins will not become a medium of payment that is widely used or recognized by the international community.

Certainly, individual members of the public may say that they will use bitcoins as a medium of exchange. This is the commercial behaviour of individuals which is not covered by our laws. Insofar as the Government's policies are concerned, we do not think that bitcoins will become a widely used currency. We will monitor the trend of development of bitcoins to see if we need to follow up in accordance with more relevant legislation. At the moment, we are monitoring and we will definitely take follow-up actions once we find that our financial or investment regulations are impacted.

MR CHRISTOPHER CHEUNG (in Cantonese): *The development of bitcoins is rapid. It is reported that a bitcoin ATM machine will be introduced into Hong Kong next month. Various overseas countries have adopted different stances and attitudes towards bitcoins. In Mainland China, the authorities have recently regarded bitcoins as virtual commodities which do not have the same legal status as currencies, but they have not prohibited the public to engage in bitcoin activities. As for the HKMA, it has not restricted bitcoins vending machines. I would like to ask the Secretary whether the Administration has conducted in-depth and comprehensive studies to grasp more accurately the development of bitcoins and the risks so derived. I would also like to ask if the use of bitcoins in trading in the Hong Kong Stock Exchange would violate the regulatory legislation of the Securities and Futures Commission (SFC).*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The first supplementary question of the Member is about whether the Government has grasped the development of bitcoins. I can tell Members, since a Member has raised a question on this issue in December, I have taken part in a lot of discussions and have a good understanding of the development of bitcoins. The HKMA and other regulators have liaised with other overseas organizations concerned to closely monitor the development of bitcoins. Regarding the bitcoin ATM machine that a Member has just mentioned, we are aware of this development as there are press reports that some businessmen may import this machine to Hong Kong, but detailed information is not available. We only learn from the Internet that this is just a vending machine, and we are not sure if there

are any links with our financial system. When the details are available, we will monitor the situation to determine whether supervision is necessary.

I have read a lot of information on bitcoins these two months and I am aware that many people advocate on the Internet the use of bitcoins as a medium of exchange. Many people have invested in bitcoins, hoping to make money within a short period of time. Owing to their fervent speculation, a number of businessmen have capitalized on this fad to introduce a variety of products, hoping to attract and facilitate the investing public or general public to quest after bitcoins. For instance, they have introduced mining machines, ATM machines, and so on. We notice that these are commercial acts inspired by the virtual world and we will closely follow up to see if bitcoins have violated the existing regulatory legislation. As regards whether bitcoins can be used in stock trading, my answer is definitely in the negative.

MR CHRISTOPHER CHEUNG (in Cantonese): *I would like to ask again, since there is no government regulation, will this indirectly ...*

PRESIDENT (in Cantonese): Mr CHEUNG, if you want to ask another supplementary question, please wait for your turn again because each Member can only ask one supplementary question.

MR CHRISTOPHER CHEUNG (in Cantonese): *I am following up on my question and I am not asking another supplementary question.*

PRESIDENT (in Cantonese): You have to wait for your turn again even if you wish to follow up on your question.

MR NG LEUNG-SING (in Cantonese): *As the main reply mentions "regulators", I would like to ask the Secretary if a single regulator, that is, the HKMA is now fully responsible for monitoring bitcoins? As stated in the main reply, the HKMA has made enquiry with some of the major banks in Hong Kong but it is found that bitcoin-related products have not yet been launched. If such*

products are really launched, must approval be granted by the HKMA before transactions on investment products can be carried out?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as bitcoins are not a currency by nature, we cannot consider bitcoins, despite the word "coin", as a currency that must be regulated by the HKMA. We should understand the development of the phenomenon of bitcoins and take all factors into consideration to determine whether regulation is necessary. If regulation is regarded necessary, we would then consider the ways of regulation and the entities to be involved.

For example, if bitcoins are related to the payment system and banking system, the HKMA would intervene; if investment products are involved, the SFC would certainly intervene; if money laundering is involved, many different regulators would intervene; and if money changer is involved, other regulators would intervene. Hence, we will pay full attention to the development of bitcoins to determine if it is necessary to follow up in respect of monitoring. I can only say that we will take appropriate actions in light of the development and global trends.

IR DR LO WAI-KWOK (in Cantonese): *President, the Secretary has emphasized in his main reply that the value of bitcoins is not backed by any physical items, issuers or the real economy, the risks involved is thus very high. However, in the face of this trend which may lead to market risk or even the risk of fraud or money laundering, the SAR Government and the relevant regulator simply adopt the attitude of monitoring the development, without even taking simple actions such as issuing notices to the banking sector. I think they have not been proactive in dealing with the matter.*

May I ask the Secretary whether he can submit to this Council a detailed written report, to inform us specifically what kind of communications have we made with the regulators on the Mainland and over the world, as well as the consensus reached or actions taken?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I do not agree with the Member's comments. As I have

pointed out in my main reply, though the HKMA has not yet issued to the banking sector any notice similar to the Notice issued jointly by five Mainland ministry/commissions such as the People's Bank of China, it has time and again reminded the banking sector to be more concerned about the risk factor in handling any new businesses. Apart from the risks involved, bitcoins may be used for money laundering, the Government and the HKMA have therefore explicitly appealed to the banking sector to pay attention to how bitcoins will affect their operations.

Due to the varying conditions of different markets, the actions taken by the HKMA against bitcoins may be different from those in other markets. In my opinion, since at this moment we do not see the introduction of relevant business by any banks or financial institutions, and we do not even know the nature of business that may be conducted, it is unnecessary to notify these banks or financial institutions individually. Yet, we want them to understand the situation and carefully handle the risks, especially when money laundering is involved. We have made efforts in this connection and we will continue with our work.

I do not mind providing the Legislative Council with more information on the follow-up actions in this respect. Of course, the information to be provided would depend on the actual needs.

MR CHAN KAM-LAM (in Cantonese): *President, we can see from the main reply that the Government has underestimated the pace of development of bitcoins in Hong Kong or in the international financial market. As investors have paid genuine money to buy the virtual currency, they have suffered actual losses.*

In November last year, a large group of Mainland investors went to the 20th floor of the IFC in Central to look for the GBL company. Yet, the address turned out to be false and the company did not exist. This is obviously a fraudulent activity and the victims subsequently lodged complaints at a police station.

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

MR CHAN KAM-LAM (in Cantonese): *President, the police station merely regarded the case as a request for assistance. I would like to know if the Secretary has learnt about the progress of this case handled by the police. Can the police let investors know the findings earlier?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I do not agree with the Member in saying that the Government has underestimated the pace of development of bitcoins. The Government has taken the initiative to inform the community the risks of bitcoins, and the Financial Secretary has mentioned about bitcoins in his blog some time ago, which proved that we have kept an eye on the situation. However, many fraudulent activities can actually take place in many different areas. If people think that they have been cheated, they can report to the police or any appropriate regulators and we will take follow-up actions.

Although bitcoins seem to be something new, we should not forget that many false and virtual things have emerged through different channels over the past few hundred years. People might have been involved in speculative activities and some of them might have been deceived. There are a host of similar cases. If members of the public have encountered fraudulent activities, they can report their cases through many channels. We have branded bitcoins as a highly speculative product and we call upon the public to be very careful.

PRESIDENT (in Cantonese): We have spent more than 25 minutes on this question. Second question.

Admission of Students Outside Joint University Programmes Admissions System

MR IP KIN-YUEN (in Cantonese): *President, may I put forward two requests before I formally raise the main question? This is because I think the Bureau's main reply has not responded to my question at all. My main question is about the admission of students of various programmes, but in the Secretary's 16-page main reply, the massive information provided is mainly concerned with the broad academic programme category. As the President studied Mathematics, you should know that by calculating popular and unpopular programmes together ...*

PRESIDENT (in Cantonese): Mr IP, you should first state the main question and raise your supplementary question after the Secretary has given a reply.

MR IP KIN-YUEN (in Cantonese): *I am not raising a supplementary question, I just wish to put forward two requests to the President.*

PRESIDENT (in Cantonese): I wish to remind Members again that no debate is allowed during the question session. Members should understand that they may not necessarily be satisfied or agree with the reply given by government officials to the main question. Apart from raising supplementary questions, Members may also follow up on the question on other occasions, such as meetings held by the Panels or other committees, or even demand a reply from the Secretary by moving a motion. They are however not allowed to debate on the Government's main reply during the question session. Mr IP, please raise your main question right away.

MR IP KIN-YUEN (in Cantonese): *President, in fact, I am just asking you to give me a few seconds. I sincerely wish to put forward one request to call on the President to remind the Administration of the need to reply in response to the question, otherwise how can Members raise supplementary questions based on the information provided by the Administration?*

PRESIDENT (in Cantonese): Mr IP, you are still not raising your main question.

MR IP KIN-YUEN (in Cantonese): *How can we perform the function of monitoring the Government?*

PRESIDENT (in Cantonese): Mr IP, your remarks have contravened the Rules of Procedure. If you do not raise your main question right away, I will have to ask you to discontinue.

MR IP KIN-YUEN (in Cantonese): *My main question is very simple, I highlighted that student admission of some institutions ...*

PRESIDENT (in Cantonese): Mr IP, the Rules of Procedure provides that you should read out your main question according to the version previously submitted.

2. **MR IP KIN-YUEN** (in Cantonese): *I am sorry, I should have read out the main question in the first place. I have nonetheless started raising my supplementary question.*

At present, institutions funded by the University Grants Committee (UGC-funded institutions) may admit, through the non-Joint University Programmes Admissions System (non-JUPAS), local applicants who hold non-local public examination results or academic qualifications (doubly non-JUPAS applicants) to funded undergraduate programmes. UGC-funded institutions may also admit non-local students who hold overseas academic qualifications (non-local students) to undergraduate programmes beyond their approved student number targets. It has been reported that the proportions of non-JUPAS applicants and non-local students admitted by some programmes are on the high side. For example, among the 35 students admitted in this academic year to the undergraduate programme of Architecture Studies of The Chinese University of Hong Kong (CUHK), only 17 (that is, less than half) were admitted through JUPAS; and the number of non-local students admitted in the last academic year to the three-year and four-year business and administration programmes of the University of Hong Kong (HKU) accounted for about 30% of the total student intake. The press report has also pointed out that such a situation reflects that non-JUPAS applicants enjoy advantages in applying for programmes with keen competition, thus reducing JUPAS applicants' chances for admission, and that as non-local students take up the various resources of UGC-funded institutions, the resources available to local students will be reduced correspondingly. In this connection, will the Government inform this Council:

- (1) *whether it knows the names of the top 10 funded undergraduate programmes, offered by each UGC-funded institution, which admitted the most doubly non-JUPAS applicants in each of the past*

five years; the number of such applicants admitted to each of such programmes, as well as their percentage and median admission score; and the number of JUPAS applicants admitted to each of such programmes and their median admission score;

- (2) *whether it knows the names of the top 10 undergraduate programmes, offered by each UGC-funded institution, which admitted the most non-local students in each of the past five years; the number of applicants of this type admitted to each of such programmes, as well as their percentage and median admission score; and the number of JUPAS applicants admitted to each of such programmes and their median admission score; and*
- (3) *whether it will review the arrangements relating to non-JUPAS, including the method for comparing different academic qualifications, the procedure and criteria for assessing non-JUPAS applications, and if a ceiling should be set for the proportion of non-JUPAS applicants to be admitted by various funded programmes?*

SECRETARY FOR EDUCATION (in Cantonese): President, the JUPAS is the main platform for students sitting for the Hong Kong Diploma of Secondary Education Examination to apply for admission to undergraduate programmes funded by the UGC. For local students holding other academic qualifications, including sub-degree students of local post-secondary institutions and Hong Kong permanent residents who study inside or outside Hong Kong and sit for international public examinations, they have to apply to UGC funded institutions direct for admission (commonly known as "non-JUPAS"). As regards non-local students, including those from the Mainland and overseas, they also need to apply for admission to UGC-funded programmes through non-JUPAS arrangements. Since these students are primarily admitted through over-enrolment beyond the approved student number targets of UGC-funded institutions, they will not compete for publicly-funded approved student places with local students. President, I must place special emphasis on this point.

Student admission is within the autonomy of the UGC-funded institutions. On the principles of fairness and merit-based selection, each institution will work out its admission policy and criteria for different programmes to assess students'

applications submitted through the JUPAS and non-JUPAS routes. As a matter of fact, candidates who are Hong Kong permanent residents are all regarded as "local students", irrespective of their admission routes and academic qualifications. They deserve equal opportunities to be considered on the basis of fair competition for articulation to local funded programmes. As for non-local students, institutions should act in accordance with the over-enrolment policy to assess and admit outstanding non-local applicants, having regard to the principles of fairness and merit-based selection.

Regarding the three-part question raised by the Member:

- (1) Overall speaking, the ratio of local student intakes to three-year UGC-funded undergraduate programmes through the JUPAS route remains stable over the latest three years where data are available, ranging from 81% to 82%. We also anticipate that the relevant ratio for the four-year programme will remain broadly at the same level in the 2013-2014 academic year. Hence, it is clear that candidates of local secondary school public examinations continue to be the major source of students for UGC-funded undergraduate programmes. Besides, given the fact that the 2012-2013 academic year is a "double-cohort year", the overall ratio of local student intakes to four-year programmes through the JUPAS route was even higher, reaching 92.7%.

Over the past three years, the overwhelming majority of the local students admitted to three-year UGC-funded undergraduate programmes through the non-JUPAS route were those holding local sub-degree qualifications or other local qualifications. Students with non-local qualifications only accounted for between 6.7% and 8.6% out of the total. In the 2012-2013 double-cohort year, the relevant ratio in respect of four-year programmes even dropped to only 4.1% out of the total.

Details of the 2010-2011 to 2012-2013 academic years, including a breakdown by institution, broad academic programme category and admission route, are at Annex 1. The UGC does not have data on the breakdown by programme, nor the relevant breakdown before the 2010-2011 academic year. This part is a response to the Member's earlier question.

As regards admission scores, according to information provided by institutions, the average scores in selected entry qualifications obtained by local students admitted to UGC-funded undergraduate programmes in the 2012-2013 academic year are at Annex 2. I must also stress that the UGC does not have similar data on the admission scores of students before the 2012-2013 academic year.

- (2) Admission of non-local students by institutions is subject to a maximum of 20% of their approved student number targets. There is a modest increase in the overall ratio of non-local students admitted to three-year UGC-funded undergraduate programmes, from 12.7% in the 2010-2011 academic year to 13.4% in the 2012-2013 academic year. A breakdown of student intakes by institution, broad academic programme category and whether local or non-local students is also at Annex 1. The UGC does not have data on the breakdown by programme, nor the relevant breakdown before the 2010-2011 academic year. Moreover, the UGC does not have admission scores of non-local students.
- (3) According to the institutions, student admission is based on a rigorous and holistic assessment of applicants in a variety of aspects, including their academic qualifications and results, interview performance, personal attributes, non-academic achievements, interests and experiences, as well as programme preferences, and so on. As regards academic qualifications, institutions have accumulated a wealth of experiences in assessing applications submitted by local applicants with different academic qualifications and will continue to monitor the relative academic results and performance of students admitted with different academic qualifications after admission to ensure that the same admission threshold is applied to students holding different academic qualifications. We understand that institutions do not apply any special formula to convert and compare different academic and non-academic qualifications.

Having regard to institutional autonomy in student admission, neither the Government nor the UGC would require institutions to specify a particular proportion of local students admitted through the JUPAS and non-JUPAS routes. That said, we understand that individual institutions have taken the initiative to lay down

guidelines which set a ceiling for admission of local students through the non-JUPAS route.

Annex 1

Number of Students Admitted⁽¹⁾ to UGC-funded First-year-first-degree Places by Institution, Broad Academic Programme Category, Whether Local or Non-local Students and Admission Route for Local Students, 2010-2011 to 2012-2013

(headcount)

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
2010-2011	CityU	Sciences	306	16	52	373	55	13.7%
			(81.8%)	(4.3%)	(13.9%)	(100.0%)		
		Engineering and Technology	432	12	50	493	33	6.9%
			(87.5%)	(2.4%)	(10.1%)	(100.0%)		
		Business and management	555	54	119	728	96	12.8%
			(76.2%)	(7.5%)	(16.3%)	(100.0%)		
		Arts and Humanities	147	4	34	184	22	11.4%
			(79.4%)	(2.1%)	(18.5%)	(100.0%)		
	Social Sciences	240	28	71	340	34	10.0%	
		(70.7%)	(8.3%)	(21.0%)	(100.0%)			
	Sub-total	1 679	114	326	2 119	240	11.1%	
		(79.2%)	(5.4%)	(15.4%)	(100.0%)			
	HKBU	Medicine, Dentistry and Health	34	2	-	36	9	20.0%
			(94.4%)	(5.6%)	-	(100.0%)		
		Sciences	183	2	37	222	46	19.6%
			(82.4%)	(0.9%)	(16.7%)	(100.0%)		
		Business and management	219	1	18	238	28	11.6%
			(92.0%)	(0.4%)	(7.6%)	(100.0%)		
		Arts and Humanities	283	2	26	312	16	5.4%
			(90.9%)	(0.6%)	(8.5%)	(100.0%)		
Social Sciences		349	6	26	380	46	12.2%	
		(91.7%)	(1.6%)	(6.7%)	(100.0%)			
Education		54	2	12	68	2	2.9%	
		(79.4%)	(2.9%)	(17.6%)	(100.0%)			
Sub-total	1 122	15	119	1 256	147	11.7%		
	(89.3%)	(1.2%)	(9.5%)	(100.0%)				

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
	LU	Business and management	167	2	11	180	25	12.4%
			(92.8%)	(1.1%)	(6.1%)	(100.0%)		
		Arts and Humanities	232	4	23	259	9	3.5%
			(89.6%)	(1.5%)	(8.9%)	(100.0%)		
		Social Sciences	119	1	8	128	15	10.8%
	(93.0%)		(0.8%)	(6.3%)	(100.0%)			
	Sub-total	518	7	42	567	49	8.2%	
		(91.4%)	(1.2%)	(7.4%)	(100.0%)			
	CUHK	Medicine, Dentistry and Health	365	78	4	447	4	1.0%
			(81.7%)	(17.4%)	(0.9%)	(100.0%)		
		Sciences	484	61	33	577	77	12.3%
			(83.8%)	(10.5%)	(5.7%)	(100.0%)		
		Engineering and Technology	309	39	34	382	64	15.2%
			(80.8%)	(10.3%)	(8.9%)	(100.0%)		
		Business and management	472	33	-	505	131	23.0%
			(93.4%)	(6.6%)	-	(100.0%)		
		Arts and Humanities	369	21	9	398	10	2.4%
			(92.7%)	(5.2%)	(2.1%)	(100.0%)		
	Social Sciences	425	48	5	478	51	10.0%	
		(88.9%)	(10.0%)	(1.0%)	(100.0%)			
	Education	62	1	4	66	-	-	
		(93.4%)	(0.8%)	(5.8%)	(100.0%)			
	Sub-total	2 485	280	88	2 853	337	11.2%	
		(87.1%)	(9.8%)	(3.1%)	(100.0%)			
	HKIEd	Sciences	77	1	20	98	6	7.1%*
(79.1%)			(0.9%)	(20.1%)	(100.0%)			
Arts and Humanities		192	9	103	304	31	10.7%*	
		(63.2%)	(3.0%)	(33.8%)	(100.0%)			
Social Sciences		21	@	5	26	3	14.3%*	
		(81.8%)	(0.6%)	(17.6%)	(100.0%)			
Education	199	4	66	269	17	6.6%*		
	(73.9%)	(1.4%)	(24.7%)	(100.0%)				
Sub-total	489	14	193	696	56	8.8%*		
	(70.2%)	(2.0%)	(27.7%)	(100.0%)				
PolyU	Medicine, Dentistry and Health	388	5	34	426	12	2.8%	
		(91.0%)	(1.1%)	(7.9%)	(100.0%)			
	Sciences	244	3	39	287	37	13.2%	
		(85.1%)	(1.1%)	(13.8%)	(100.0%)			
Engineering and Technology	555	5	147	708	97	13.8%		
	(78.5%)	(0.7%)	(20.8%)	(100.0%)				

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
		Business and management	477 (81.8%)	19 (3.3%)	87 (14.9%)	584 (100.0%)	129	22.3%
		Arts and Humanities	139 (60.1%)	6 (2.6%)	86 (37.3%)	232 (100.0%)	21	8.8%
		Social Sciences	55 (85.9%)	-	9 (14.1%)	64 (100.0%)	2	3.2%
		Sub-total	1 859 (80.8%)	38 (1.7%)	403 (17.5%)	2 300 (100.0%)	299	13.0%
		HKUST	Sciences	466 (92.5%)	22 (4.3%)	16 (3.2%)	503 (100.0%)	57
	Engineering and Technology	456 (76.8%)	21 (3.5%)	117 (19.7%)	594 (100.0%)	115	19.4%	
	Business and management	534 (84.8%)	96 (15.2%)	@	630 (100.0%)	87	12.6%	
	Social Sciences	28 (92.1%)	2 (7.4%)	@	30 (100.0%)	13	23.5%	
	Education	4 (100.0%)	-	-	4 (100.0%)	-	-	
	Sub-total	1 488 (84.4%)	141 (8.0%)	133 (7.5%)	1 762 (100.0%)	272	14.7%	
	HKU	Medicine, Dentistry and Health	351 (72.7%)	75 (15.5%)	57 (11.8%)	483 (100.0%)	12	2.5%
	Sciences	341 (89.6%)	16 (4.3%)	23 (6.1%)	380 (100.0%)	63	14.3%	
	Engineering and Technology	405 (78.5%)	34 (6.6%)	77 (14.9%)	516 (100.0%)	93	15.7%	
	Business and management	200 (75.8%)	48 (18.3%)	16 (6.0%)	264 (100.0%)	118	47.1%	
	Arts and Humanities	260 (74.7%)	47 (13.6%)	41 (11.7%)	348 (100.0%)	22	5.8%	
	Social Sciences	406 (74.2%)	107 (19.5%)	34 (6.2%)	547 (100.0%)	148	26.3%	
	Education	57 (55.0%)	11 (11.0%)	35 (34.0%)	103 (100.0%)	3	2.8%	
	Sub-total	2 020 (76.5%)	339 (12.8%)	283 (10.7%)	2 642 (100.0%)	459	16.3%	
	All Institutions	Total	11 660 (82.1%)	948 (6.7%)	1 587 (11.2%)	14 195 (100.0%)	1 859	12.7%

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
2011-2012	CityU	Sciences	313	13	53	379	44	11.0%
			(82.6%)	(3.4%)	(14.0%)	(100.0%)		
		Engineering and Technology	423	22	42	487	49	10.3%
			(86.9%)	(4.5%)	(8.6%)	(100.0%)		
		Business and management	564	47	114	725	94	12.5%
			(77.8%)	(6.4%)	(15.8%)	(100.0%)		
		Arts and Humanities	148	17	24	189	24	12.0%
			(78.0%)	(9.1%)	(12.9%)	(100.0%)		
		Social Sciences	241	21	72	334	28	8.4%
	(72.2%)		(6.4%)	(21.4%)	(100.0%)			
	Sub-total	1 689	120	305	2 114	239	11.1%	
		(79.9%)	(5.7%)	(14.4%)	(100.0%)			
	HKBU	Medicine, Dentistry and Health	32	4	1	37	8	17.8%
			(86.5%)	(10.8%)	(2.7%)	(100.0%)		
		Sciences	170	6	47	223	43	18.3%
			(76.2%)	(2.7%)	(21.1%)	(100.0%)		
		Business and management	195	11	32	238	34	14.0%
			(82.1%)	(4.6%)	(13.3%)	(100.0%)		
		Arts and Humanities	264	5	42	310	15	5.2%
			(84.9%)	(1.6%)	(13.5%)	(100.0%)		
		Social Sciences	339	6	31	376	46	12.1%
	(90.2%)		(1.6%)	(8.2%)	(100.0%)			
	Education	51	5	12	68	3	4.3%	
		(75.0%)	(7.4%)	(17.6%)	(100.0%)			
	Sub-total	1 051	37	164	1 252	149	11.8%	
		(83.9%)	(3.0%)	(13.1%)	(100.0%)			
	LU	Business and management	158	2	16	176	23	12.0%
(89.8%)			(1.1%)	(9.1%)	(100.0%)			
Arts and Humanities		226	7	23	256	7	2.7%	
		(88.3%)	(2.7%)	(9.0%)	(100.0%)			
Social Sciences		115	1	10	126	8	6.1%	
	(91.3%)	(0.8%)	(7.9%)	(100.0%)				
Sub-total	499	10	49	558	38	6.6%		
	(89.4%)	(1.8%)	(8.8%)	(100.0%)				
CUHK	Medicine, Dentistry and Health	381	73	7	461	1	0.2%	
		(82.6%)	(15.8%)	(1.5%)	(100.0%)			

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
		Sciences	482	63	37	582	98	15.6%
			(82.8%)	(10.7%)	(6.4%)	(100.0%)		
		Engineering and Technology	284	33	48	365	66	15.5%
			(77.9%)	(8.9%)	(13.2%)	(100.0%)		
		Business and management	486	40	1	527	154	27.1%
			(92.2%)	(7.6%)	(0.2%)	(100.0%)		
		Arts and Humanities	375	18	14	406	8	1.9%
			(92.2%)	(4.3%)	(3.4%)	(100.0%)		
		Social Sciences	440	51	5	496	51	10.0%
			(88.7%)	(10.3%)	(1.0%)	(100.0%)		
		Education	63	3	4	69	-	-
			(90.1%)	(3.6%)	(6.3%)	(100.0%)		
		Sub-total	2 510	279	117	2 906	378	12.5%
			(86.4%)	(9.6%)	(4.0%)	(100.0%)		
	HKIEd	Sciences	66	@	9	76	5	6.7%*
			(87.8%)	(0.4%)	(11.8%)	(100.0%)		
		Arts and Humanities	360	@	82	443	34	11.2%*
			(81.3%)	(0.1%)	(18.6%)	(100.0%)		
		Social Sciences	22	@	2	24	3	18.3%*
			(92.8%)	(0.2%)	(7.1%)	(100.0%)		
	Education	231	@	49	280	13	4.7%*	
		(82.4%)	(0.1%)	(17.4%)	(100.0%)			
	Sub-total	680	1	142	823	56	8.2%*	
		(82.6%)	(0.1%)	(17.3%)	(100.0%)			
	PolyU	Medicine, Dentistry and Health	384	6	40	429	12	2.7%
			(89.4%)	(1.3%)	(9.4%)	(100.0%)		
		Sciences	238	1	45	284	37	12.9%
			(83.8%)	(0.4%)	(15.9%)	(100.0%)		
Engineering and Technology		565	8	145	717	92	13.1%	
		(78.8%)	(1.1%)	(20.2%)	(100.0%)			
Business and management		484	23	87	595	156	26.9%	
		(81.4%)	(3.9%)	(14.7%)	(100.0%)			
Arts and Humanities		140	7	88	235	16	6.8%	
		(59.7%)	(2.9%)	(37.4%)	(100.0%)			
Social Sciences		60	-	5	65	3	4.8%	
		(92.3%)	-	(7.7%)	(100.0%)			
Sub-total		1 871	44	410	2 325	316	13.7%	
		(80.5%)	(1.9%)	(17.6%)	(100.0%)			

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
	HKUST	Sciences	487	25	15	526	85	17.0%
			(92.6%)	(4.7%)	(2.8%)	(100.0%)		
		Engineering and Technology	450	32	99	581	109	18.5%
			(77.5%)	(5.4%)	(17.0%)	(100.0%)		
		Business and management	558	116	1	675	107	15.4%
			(82.7%)	(17.2%)	(0.2%)	(100.0%)		
		Arts and Humanities	15	1	-	16	2	13.3%
			(96.8%)	(3.2%)	-	(100.0%)		
	Social Sciences	43	4	@	47	16	28.8%	
		(91.9%)	(7.5%)	(0.6%)	(100.0%)			
	Education	4	-	-	4	-	-	
		(100.0%)	-	-	(100.0%)			
	Sub-total	1 558	176	115	1 849	319	17.2%	
		(84.3%)	(9.5%)	(6.2%)	(100.0%)			
	HKU	Medicine, Dentistry and Health	376	76	44	496	4	0.8%
			(75.8%)	(15.3%)	(8.9%)	(100.0%)		
		Sciences	339	22	40	401	63	14.3%
			(84.6%)	(5.4%)	(10.1%)	(100.0%)		
Engineering and Technology		351	36	80	466	141	23.8%	
		(75.2%)	(7.7%)	(17.1%)	(100.0%)			
Business and management		207	51	18	276	112	44.8%	
		(74.9%)	(18.4%)	(6.7%)	(100.0%)			
Arts and Humanities		253	36	45	334	29	7.7%	
		(75.6%)	(10.9%)	(13.6%)	(100.0%)			
Social Sciences	405	109	32	546	154	27.1%		
	(74.1%)	(20.0%)	(5.8%)	(100.0%)				
Education	57	13	31	101	6	5.5%		
	(56.1%)	(12.9%)	(31.0%)	(100.0%)				
Sub-total	1 986	343	291	2 620	509	18.1%		
	(75.8%)	(13.1%)	(11.1%)	(100.0%)				
All Institutions	Total	11 844	1 010	1 593	14 447	2 004	13.6%	
		(82.0%)	(7.0%)	(11.0%)	(100.0%)			

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
2012-2013 (three-year programme)	CityU	Sciences	317	33	37	388	54	13.4%
			(81.8%)	(8.6%)	(9.6%)	(100.0%)		
		Engineering and Technology	415	18	39	472	38	8.1%
			(87.9%)	(3.8%)	(8.3%)	(100.0%)		
		Business and management	537	94	70	701	94	12.9%
			(76.6%)	(13.4%)	(10.0%)	(100.0%)		
		Arts and Humanities	150	6	35	192	25	13.2%
			(78.4%)	(3.1%)	(18.5%)	(100.0%)		
	Social Sciences	213	34	54	301	35	10.8%	
		(70.8%)	(11.1%)	(18.0%)	(100.0%)			
	Sub-total	1 633	185	236	2 054	246	11.7%	
		(79.5%)	(9.0%)	(11.5%)	(100.0%)			
	HKBU	Medicine, Dentistry and Health	35	5	1	41	9	20.0%
			(85.4%)	(12.2%)	(2.4%)	(100.0%)		
		Sciences	173	1	40	214	51	21.7%
			(80.8%)	(0.5%)	(18.7%)	(100.0%)		
		Business and management	162	6	71	239	34	13.9%
			(67.7%)	(2.6%)	(29.7%)	(100.0%)		
		Arts and Humanities	262	12	41	315	18	6.2%
			(83.0%)	(3.8%)	(13.2%)	(100.0%)		
		Social Sciences	339	6	26	371	47	12.3%
			(91.6%)	(1.5%)	(6.9%)	(100.0%)		
	Education	55	2	19	76	3	4.0%	
(72.4%)		(2.6%)	(25.0%)	(100.0%)				
Sub-total	1 026	32	198	1 256	161	12.7%		
	(81.7%)	(2.5%)	(15.8%)	(100.0%)				
LU	Business and management	150	3	19	172	7	3.9%	
		(87.2%)	(1.7%)	(11.0%)	(100.0%)			
	Arts and Humanities	230	1	18	249	-	-	
		(92.4%)	(0.4%)	(7.2%)	(100.0%)			
	Social Sciences	117	1	5	123	-	-	
(95.1%)		(0.8%)	(4.1%)	(100.0%)				
Sub-total	497	5	42	544	7	1.3%		
	(91.4%)	(0.9%)	(7.7%)	(100.0%)				
CUHK	Medicine, Dentistry and Health	380	129	11	519	6	1.1%	
		(73.1%)	(24.8%)	(2.1%)	(100.0%)			

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted						
			Local				Non-local		
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets	
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾				
		Sciences	447 (80.6%)	65 (11.8%)	42 (7.6%)	554 (100.0%)	101	16.5%	
		Engineering and Technology	302 (74.5%)	29 (7.2%)	74 (18.3%)	405 (100.0%)			52
		Business and management	433 (88.5%)	56 (11.5%)	- (-)	489 (100.0%)	139	23.6%	
		Arts and Humanities	395 (93.4%)	19 (4.5%)	9 (2.1%)	423 (100.0%)			28
		Social Sciences	424 (86.4%)	50 (10.1%)	17 (3.5%)	490 (100.0%)	47	9.1%	
		Education	64 (93.0%)	2 (3.2%)	3 (3.9%)	69 (100.0%)			-
		Sub-total	2 443 (82.8%)	350 (11.9%)	156 (5.3%)	2 949 (100.0%)	372	11.8%	
		HKIEd	Sciences	64 (80.8%)	1 (1.1%)	14 (18.1%)	79 (100.0%)	1	1.0%
			Business and management	2 (94.8%)	- (-)	@ (5.2%)	2 (100.0%)		
			Arts and Humanities	249 (80.3%)	4 (1.2%)	57 (18.5%)	310 (100.0%)	@	0.2%
			Social Sciences	18 (87.6%)	@ (0.3%)	2 (12.1%)	21 (100.0%)	@	0.2%
			Education	193 (81.7%)	2 (1.0%)	41 (17.2%)	236 (100.0%)	1	0.3%
			Sub-total	526 (81.2%)	7 (1.1%)	115 (17.7%)	648 (100.0%)		
	PolyU		Medicine, Dentistry and Health	498 (80.8%)	6 (1.0%)	112 (18.2%)	616 (100.0%)	5	0.8%
			Sciences	228 (82.8%)	3 (1.0%)	45 (16.3%)	275 (100.0%)		
		Engineering and Technology	550 (78.4%)	12 (1.7%)	140 (20.0%)	702 (100.0%)	110	16.0%	
		Business and management	466 (78.0%)	24 (4.0%)	108 (18.0%)	598 (100.0%)			156
		Arts and Humanities	154 (66.2%)	7 (2.9%)	72 (30.9%)	232 (100.0%)	22	9.7%	

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted						
			Local				Non-local		
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets	
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾				
		Social Sciences	54 (88.5%)	- (-)	7 (11.5%)	61 (100.0%)	3	4.8%	
		Sub-total	1 950 (78.5%)	51 (2.1%)	483 (19.4%)	2 484 (100.0%)			333
		HKUST	Sciences	482 (94.5%)	19 (3.8%)	9 (1.7%)	509 (100.0%)	89	17.2%
	Engineering and Technology		442 (81.8%)	23 (4.3%)	75 (13.9%)	541 (100.0%)	100		
	Business and management		560 (85.4%)	94 (14.3%)	2 (0.3%)	656 (100.0%)	124	17.6%	
	Arts and Humanities		19 (92.7%)	2 (7.3%)	- (-)	21 (100.0%)			3
	Social Sciences		45 (95.6%)	2 (4.1%)	@ (0.3%)	48 (100.0%)	15	27.0%	
	Sub-total		1 548 (87.3%)	140 (7.9%)	86 (4.8%)	1 774 (100.0%)			331
	HKU		Medicine, Dentistry and Health	392 (71.3%)	113 (20.5%)	45 (8.2%)	550 (100.0%)	4	0.7%
			Sciences	296 (82.4%)	50 (13.9%)	13 (3.8%)	359 (100.0%)		
		Engineering and Technology	412 (88.7%)	48 (10.4%)	4 (0.9%)	465 (100.0%)	140	23.6%	
		Business and management	179 (71.5%)	70 (28.1%)	1 (0.4%)	250 (100.0%)			126
		Arts and Humanities	272 (77.3%)	29 (8.2%)	51 (14.5%)	352 (100.0%)	28	7.3%	
		Social Sciences	383 (72.7%)	139 (26.4%)	5 (0.9%)	526 (100.0%)			168
		Education	45 (46.5%)	10 (10.2%)	41 (43.3%)	96 (100.0%)	9	8.2%	
		Sub-total	1 978 (76.1%)	459 (17.7%)	161 (6.2%)	2 598 (100.0%)			554
		All Institutions	Total	11 601 (81.1%)	1 229 (8.6%)	1 477 (10.3%)	14 307 (100.0%)	2 006	13.4%

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
2012-2013 (four-year programme)	CityU	Medicine, Dentistry and Health	6	@	-	6	1	13.1%
			(99.2%)	(0.8%)	-	(100.0%)		
		Sciences	363	3	1	366	54	14.5%
			(99.1%)	(0.7%)	(0.2%)	(100.0%)		
		Engineering and Technology	479	4	-	483	58	11.6%
			(99.2%)	(0.8%)	-	(100.0%)		
		Business and management	624	11	52	686	97	14.0%
			(90.8%)	(1.6%)	(7.5%)	(100.0%)		
		Arts and Humanities	201	6	15	222	26	15.6%
	(90.7%)		(2.6%)	(6.7%)	(100.0%)			
	Social Sciences	263	15	36	314	35	10.0%	
		(83.9%)	(4.7%)	(11.4%)	(100.0%)			
	Sub-total	1 936	38	103	2 077	272	13.0%	
		(93.2%)	(1.8%)	(5.0%)	(100.0%)			
	HKBU	Medicine, Dentistry and Health	37	-	-	37	13	28.9%
			(100.0%)	-	-	(100.0%)		
		Sciences	194	-	-	194	51	23.8%
			(100.0%)	-	-	(100.0%)		
		Business and management	222	-	-	222	41	16.6%
			(100.0%)	-	-	(100.0%)		
		Arts and Humanities	320	-	-	320	25	8.5%
			(100.0%)	-	-	(100.0%)		
		Social Sciences	378	-	-	378	55	15.6%
	(100.0%)		-	-	(100.0%)			
	Education	76	-	-	76	6	8.2%	
		(100.0%)	-	-	(100.0%)			
	Sub-total	1 227	-	-	1 227	191	15.6%	
(100.0%)		-	-	(100.0%)				
LU	Business and management	163	-	3	166	23	13.0%	
		(98.2%)	-	(1.8%)	(100.0%)			
	Arts and Humanities	240	-	-	240	15	6.0%	
		(100.0%)	-	-	(100.0%)			
	Social Sciences	122	-	-	122	11	8.6%	
(100.0%)		-	-	(100.0%)				
Sub-total	525	-	3	528	49	8.9%		
	(99.4%)	-	(0.6%)	(100.0%)				

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
	CUHK	Medicine, Dentistry and Health	448	78	1	527	6	1.1%
			(85.0%)	(14.8%)	(0.2%)	(100.0%)		
		Sciences	565	8	-	573	73	11.8%
			(98.6%)	(1.4%)	-	(100.0%)		
		Engineering and Technology	438	12	-	449	64	13.5%
			(97.4%)	(2.6%)	-	(100.0%)		
		Business and management	474	48	2	524	175	29.7%
			(90.4%)	(9.2%)	(0.4%)	(100.0%)		
		Arts and Humanities	421	4	-	425	9	2.0%
			(99.1%)	(0.9%)	-	(100.0%)		
		Social Sciences	472	40	1	514	74	13.7%
	(91.9%)		(7.9%)	(0.2%)	(100.0%)			
	Education	71	1	-	72	-	-	
		(99.1%)	(0.9%)	-	(100.0%)			
	Sub-total	2 889	191	4	3 084	400	12.3%	
		(93.7%)	(6.2%)	(0.1%)	(100.0%)			
	HKIEd	Sciences	93	@	@	94	6	7.9%
			(99.1%)	(0.4%)	(0.4%)	(100.0%)		
		Business and management	6	-	-	6	@	14.6%
			(100.0%)	-	-	(100.0%)		
		Arts and Humanities	331	@	@	332	27	11.0%
			(99.9%)	(0.1%)	(0.1%)	(100.0%)		
		Social Sciences	22	@	@	22	2	5.8%
	(99.9%)		*	*	(100.0%)			
	Education	305	@	@	305	23	8.6%	
		(99.7%)	(0.1%)	(0.1%)	(100.0%)			
	Sub-total	757	1	1	759	58	9.3%	
		(99.7%)	(0.1%)	(0.1%)	(100.0%)			
	PolyU	Medicine, Dentistry and Health	619	-	-	619	2	0.3%
			(100.0%)	-	-	(100.0%)		
Sciences		266	1	-	266	39	12.8%	
		(99.8%)	(0.2%)	-	(100.0%)			
Engineering and Technology		628	2	-	631	92	14.8%	
	(99.7%)	(0.3%)	-	(100.0%)				

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted						
			Local				Non-local		
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets	
				Oversea qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾				
		Business and management	523 (99.9%)	@ (0.1%)	- (100.0%)	523 (100.0%)	161	30.1%	
		Arts and Humanities	216 (100.0%)	-	-	216 (100.0%)	9	4.7%	
		Social Sciences	72 (100.0%)	-	-	72 (100.0%)	3	4.3%	
		Sub-total	2 324 (99.9%)	3 (0.1%)	-	2 327 (100.0%)	306	13.1%	
		HKUST	Sciences	819 (98.1%)	16 (1.9%)	-	835 (100.0%)	108	19.4%
			Engineering and Technology	124 (98.3%)	2 (1.7%)	-	126 (100.0%)	17	2.9%
	Business and management		122 (97.3%)	3 (2.7%)	-	125 (100.0%)	16	2.6%	
	Arts and Humanities		524 (97.7%)	12 (2.3%)	-	536 (100.0%)	68	284.6% ^	
	Social Sciences		207 (97.1%)	6 (2.9%)	-	214 (100.0%)	27	21.5%	
	Sub-total		1 796 (97.8%)	40 (2.2%)	-	1 836 (100.0%)	236	12.4%	
	HKU		Medicine, Dentistry and Health	390 (67.8%)	96 (16.7%)	89 (15.5%)	575 (100.0%)	8	1.4%
		Sciences	356 (89.5%)	12 (3.1%)	30 (7.4%)	398 (100.0%)	98	21.1%	
		Engineering and Technology	371 (66.9%)	65 (11.7%)	119 (21.4%)	555 (100.0%)	136	21.9%	
		Business and management	245 (84.4%)	38 (13.1%)	7 (2.5%)	290 (100.0%)	124	45.6%	
		Arts and Humanities	285 (77.0%)	27 (7.3%)	58 (15.7%)	370 (100.0%)	41	10.2%	
		Social Sciences	451 (79.1%)	89 (15.7%)	30 (5.2%)	570 (100.0%)	174	27.9%	
		Education	44 (66.7%)	7 (10.0%)	15 (23.3%)	66 (100.0%)	5	7.1%	
		Sub-total	2 142 (75.8%)	334 (11.8%)	348 (12.3%)	2 824 (100.0%)	586	19.4%	

Academic Year	Institution	Broad Academic Programme Category	Number of Students Admitted					
			Local				Non-local	
			JUPAS	Non-JUPAS		Total	Total	As percentage of approved student number targets
				Overseas qualifications ⁽²⁾⁽³⁾	Others ⁽²⁾⁽⁴⁾			
	All Institutions	Total	13 596	607	459	14 662	2 098	14.0%
			(92.7%)	(4.1%)	(3.1%)	(100.0%)		

Notes:

- (1) Admission of non-local students is subject to a maximum of 20% of the approved student number targets at the undergraduate level across the whole institution. They are primarily admitted by over-enrolment outside the approved numbers.
- (2) Admission qualification refers to the highest relevant academic qualification possessed by a new intake on the basis of which his/her admission is decided, regardless of whether that qualification has been completed or not.
- (3) For example, the International Baccalaureate (IB), the General Certificate of Education (GCE) Advanced Level Examination, SAT/ACT, and so on.
- (4) For example, Associate degree, Higher diploma, and so on.
- (5) Figures in brackets denote percentage share to respective totals.
- (6) Since some UGC-funded programmes are mapped to more than one academic programme category (APC), students of these programmes are counted across the APCs concerned on a pro rata basis. Thus the student numbers of some APCs are decimal figures. In the above table, the decimal figures are rounded to the nearest whole number. As such, figures may not add up to the corresponding totals.
- (7) "@" denotes "magnitude less than 0.5".
- (8) "*" denotes "less than 0.05%".
- (9) "-" denotes "nil".
- (10) Abbreviations for Institutions are as follows:

CityU	City University of Hong Kong
HKBU	Hong Kong Baptist University
LU	Lingnan University
CUHK	The Chinese University of Hong Kong
HKIEd	The Hong Kong Institute of Education
PolyU	The Hong Kong Polytechnic University
HKUST	The Hong Kong University of Science and Technology
HKU	The University of Hong Kong
- (11) * For 2010-2011 to 2011-2012 academic years, HKIEd was approved using 72 extra intake places to admit students to its Bachelor of Education (Honours) (Early Childhood Education) programme. Hence, the ratio to approved student number targets reflect such extra places for the programme.
- (12) ^ Under the new academic structure, institutions adopt broad-based admission. As such, there are wider variations in the distribution of students in individual academic programme categories, especially among year one students.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to
UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic
Programme Category, 2012-2013

Institution: City University of Hong Kong (CityU)

<i>Broad Academic Programme Category*</i>	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>HKDSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Sciences	9.93	16.11	-	34.50
Engineering and Technology	9.76	15.49	220.00	-
Business and Management	13.15	16.86	260.00	32.67
Social Sciences	13.34	17.54	224.62	33.22
Arts and Humanities	12.25	14.75	-	-
Overall	11.64	16.35	228.75	33.29

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.
 - (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
 - (iii) "-" means there was no student admitted on the basis of such academic qualification.
 - (iv) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS

Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
 AL : A=10, B=8, C=6, D=4, E=2, other grades=0;
 AS : A=5, B=4, C=3, D=2, E=1, other grades=0.
 As such, the maximum HKALE score is 20.

- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
 5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
 As such, the maximum DSE score is 28.
- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
 A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
 AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
 As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic Programme Category, 2012-2013

Institution: Hong Kong Baptist University (HKBU)

<i>Broad Academic Programme Category *</i>	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Medicine, Dentistry and Health	11.69	16.30	215.00	-
Sciences	9.62	15.70	-	-
Business and Management	12.31	15.98	-	-

<i>Broad Academic Programme Category *</i>	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Social Sciences	13.31	17.04	240.00	30.00
Arts and Humanities	12.06	16.93	202.86	30.67
Education	10.90	15.80	-	-
Overall	12.10	16.53	209.00	30.40

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.
- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) "-" means there was no student admitted on the basis of such academic qualification.
- (iv) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
 - (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
 AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
 AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.
 As such, the maximum HKALE score is 20.
 - (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
 5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
 As such, the maximum DSE score is 28.

- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
 A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
 AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
 As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic Programme Category, 2012-2013

Institution: Lingnan University (LU)

<i>Broad Academic Programme Category</i> *	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE</i> ⁽¹⁾	<i>DSE</i> ⁽²⁾	<i>GCE</i> ⁽³⁾	<i>IB</i> ⁽⁴⁾
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Business and Management	10.42	15.81	@	@
Social Sciences	10.85	16.29		
Arts and Humanities	10.42	16.33		
Overall	10.52	16.16	@	@

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.
- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) @ Since there was/were only an insignificant number of intake(s) with the relevant qualification, the scores are not computed in order to avoid the disclosure of scores of individual students.
- (iv) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions

confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.

- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.
As such, the maximum HKALE score is 20.
- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
As such, the maximum DSE score is 28.
- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to
UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic
Programme Category, 2012-2013

Institution: The Chinese University of Hong Kong

<i>Broad Academic Programme Category</i> *	<i>Local FYFD Intakes through JUPAS⁺</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Medicine and Health	14.4	20.3	266.4	40.60

<i>Broad Academic Programme Category *</i>	<i>Local FYFD Intakes through JUPAS⁺</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Sciences	14.8	18.7	240.8	34.50
Engineering and Technology	10.3	16.3	256.0	-
Business and Management	15.8	20.5	262.4	37.30
Social Sciences	15.6	19.9	252.5	34.80
Arts and Humanities	13.9	19.1	250.9	35.80
Education	12.3	17.8	260.0	-
Overall	14.2	19.0	257.8	37.40

Notes:

- (i) # This is the highest relevant academic qualifications possessed by the new intakes on the basis of which admission was considered.
 - (ii) * Intakes to FYFD places are classified to respective broad academic programme category according to the respective UGC-funded programmes that the students are taking.
 - (iii) + CUHK admitted the largest number of HKALE and HKDSE students via the JUPAS route to undergraduate programmes amongst all institutions. CUHK is of the view that the higher intake would have driven down the average scores.
 - (iv) "-" means there was no student admitted on the basis of such academic qualification.
 - (v) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. For example, in the case of CUHK, they considered both HKALE and HKCEE results when admitting JUPAS candidates for their three-year programmes, with weightings ranging from 33% to 50% being placed on the candidates' HKCEE results. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:

AL: A=10, B=8, C=6, D=4, E=2, other grades=0;

AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.

As such, the maximum HKALE score is 20.

- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:

5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0

As such, the maximum DSE score is 28.

- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:

A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40

AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20

As such, the maximum GCE score is 280.

- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic Programme Category, 2012-2013

Institution: The Hong Kong Institute of Education (HKIED)

<i>Broad Academic Programme Category</i> *	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE</i> ⁽¹⁾	<i>DSE</i> ⁽²⁾	<i>GCE</i> ⁽³⁾	<i>IB</i> ⁽⁴⁾
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Social Sciences	12	15	-	-
Arts and Humanities	8	15	-	-
Education	9	15	@	-
Overall	9	15	@	-

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.

- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) "-" means there was no student admitted on the basis of such academic qualification.
- (iv) @ Since there was/were only an insignificant number of intake(s) with the relevant qualification, the scores are not computed in order to avoid the disclosure of scores of individual students.
- (v) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.
As such, the maximum HKALE score is 20.
- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
5*=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
As such, the maximum DSE score is 28.
- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic Programme Category, 2012-2013

Institution: The Hong Kong Polytechnic University (PolyU)

<i>Broad Academic Programme Category</i> *	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i> ^	
	<i>HKALE</i> ⁽¹⁾	<i>DSE</i> ⁽²⁾	<i>GCE</i> ⁽³⁾	<i>IB</i> ⁽⁴⁾
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Medicine, Dentistry and Health	14.41	18.44	250.00	32.00
Sciences	9.97	15.99	240.00	29.00
Engineering and Technology	10.21	15.90	248.89	30.67
Business and Management	12.36	16.57	216.36	37.20
Social Sciences	13.00	16.48	-	-
Arts and Humanities	9.43	16.49	240.00	29.50
Overall	11.77	16.78	235.00	33.17

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.
- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) ^ PolyU's four-year programmes were not open to local students with international academic qualifications. Hence the scores provided are those of intakes to PolyU's three-year programmes only.
- (iv) "-" means there was no student admitted on the basis of such academic qualification.
- (v) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student

admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.

- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.
As such, the maximum HKALE score is 20.
- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
As such, the maximum DSE score is 28.
- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to
UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic
Programme Category, 2012-2013

Institution: The Hong Kong University of Science and Technology (HKUST)

<i>Broad Academic Programme Category</i> *	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE</i> ⁽¹⁾	<i>DSE</i> ⁽²⁾	<i>GCE</i> ⁽³⁾	<i>IB</i> ⁽⁴⁾
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Sciences	11.28	16.47	260	@
Engineering and Technology	11.06	16.53	260	38.70

<i>Broad Academic Programme Category *</i>	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Business and Management	13.73	18.59	260	36.20
Social Sciences	10.15	17.77	@	@
Arts and Humanities				
Overall	12.25	17.29	260	36.70

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.
- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) @ Since there was/were only an insignificant number of intake(s) with the relevant qualification, the scores are not computed in order to avoid the disclosure of scores of individual students.
- (iv) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
 - (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
AS: A=5, B=4, C=3, D=2, E=1, other grades=0.
As such, the maximum HKALE score is 20.
 - (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
5*=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
As such, the maximum DSE score is 28.

- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
 A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
 AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
 As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

Average Scores in Selected Entry Qualifications[#] of Local Intakes to UGC-funded First-Year-First-Degree (FYFD) Places by Broad Academic Programme Category, 2012-2013

Institution: The University of Hong Kong (HKU)

<i>Broad Academic Programme Category *</i>	<i>Local FYFD Intakes through JUPAS</i>		<i>Local FYFD Intakes through Non-JUPAS</i>	
	<i>HKALE⁽¹⁾</i>	<i>DSE⁽²⁾</i>	<i>GCE⁽³⁾</i>	<i>IB⁽⁴⁾</i>
	<i>Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
Medicine, Dentistry and Health	16.0	21.7	269.0	42.6
Sciences	15.0	19.1	269.0	37.8
Engineering and Technology	14.1	18.7	256.0	37.0
Business and Management	16.6	21.3	254.0	38.4
Social Sciences	16.8	21.7	255.0	38.6
Arts and Humanities	15.7	20.1	225.0	34.4
Education	12.2	18.5	216.0	35.0
Overall	15.5	20.4	256.8	38.3

Notes:

- (i) # These refer to the highest relevant academic qualifications possessed by the intakes on the basis of which their admission was considered.

- (ii) * Intakes to FYFD places are classified to respective broad academic programme categories according to the UGC-funded programmes that the students were admitted to.
- (iii) The scores are derived as follows for illustration purpose only, and this is not the actual calculation method used by institutions when considering students for admission. The actual formulae and subject weightings used by institutions vary depending on the type of qualification and the programme for which a candidate was considered. Institutions confirm that they do not have a standard numerical formula to convert and compare different academic qualifications. Instead, it should be emphasized that student admission is on a rigorous and holistic assessment of candidates in both academic and non-academic aspects.
- (1) Hong Kong Advanced Level Examination (HKALE): The HKALE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results, other than AS Use of English and AS Chinese Language & Culture. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
AL: A=10, B=8, C=6, D=4, E=2, other grades=0;
AS: A= 5, B=4, C=3, D=2, E=1, other grades=0.
As such, the maximum HKALE score is 20.
- (2) Hong Kong Diploma of Secondary Education (HKDSE) Examination: The DSE standard score is the sum of DSE scores for the four core subjects (that is, Chinese Language, English Language, Mathematics and Liberal Studies) where the score for each subject is calculated as follows:
5**=7, 5*=6, 5=5, 4=4, 3=3, 2=2, 1=1, "unclassified"=0
As such, the maximum DSE score is 28.
- (3) General Certificate of Education (GCE) Examination: Similar to the HKALE score, the GCE score is the sum of the scores for one Advanced Level (AL) subject plus one AL subject or two Advanced Supplementary Level (AS) subjects with the best results. The subjects for calculation do not necessarily include those specified in the departmental entrance requirement. The score for each subject is allocated as follows:
A-Level: A* = 140; A = 120; B = 100; C = 80; D = 60; E = 40
AS-Level: A = 60; B = 50; C = 40; D = 30; E = 20
As such, the maximum GCE score is 280.
- (4) International Baccalaureate (IB): This refers to the IB Diploma point score where the highest total available for a Diploma Programme student is 45 points.

MR IP KIN-YUEN (in Cantonese): *President, I request you to remind the Administration to reply in response to the question, otherwise we cannot effectively monitor the governance of the Government.*

My second request is, although the Secretary has provided a total of 16 pages of data and information, they have failed to help us understand the issue.

I therefore hope that the President would request the authorities to provide us with the relevant information, so as to enable us to perform our monitoring function.

Today's question is actually raised upon the request of many school principals and parents. They have noticed that popular institutions and departments have admitted a large number of non-JUPAS applicants, and the proportion may even exceed 50%. Under this circumstance, the authorities still denied the existence of unfairness in the reply.

Nonetheless, many parents and school principals consider that under this arrangement, students from better-off family conditions can evade the local examination system and take a short cut. In this connection, will the authorities conduct a serious review to see if there is any problem with the student admission of various institutions, so as to address the doubts of these parents and school principals?

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for his supplementary question. There are two points that I wish to highlight and just now I have already explained one fact. Although the UGC has information about various institutions, it has not collected any information on individual academic programme. This is a true fact.

For the first point, Members may refer to the information that we have provided, which has addressed Members' concerns on the controversies over the results and other aspects of students applying for non-JUPAS and JUPAS admission, and whether non-JUPAS applicants have deprived local students of their opportunities. As I have previously stressed, non-local students (including students from the Mainland) only account for 5%, 6% and 7% out of the total. As revealed in our information, many applicants are pretty outstanding, say they score more than 40 in their IB diploma examinations, which is an excellent result. Institutions having diversified admission policies may take this opportunity to admit outstanding students. An important point is that, under this special circumstance of a double-cohort year, some 94% of students are local students admitted through JUPAS.

The second point that I wish to highlight is, based on the general information, the success rate of local students being admitted to degree

programmes of local universities through JUPAS is higher than that of non-JUPAS.

DR HELENA WONG (in Cantonese): *President, we are certainly aware that the majority of Hong Kong students are taking the Hong Kong Diploma of Secondary Education (HKDSE). On the face of it, the Secretary's reply is an assurance because the percentage of HKDSE students admitted through JUPAS stood at nearly 80%.*

Mr IP Kin-yuen has just highlighted certain academic programmes, including Architecture Studies of the CUHK and two programmes of the HKU, and I trust that the relevant figures are not fabricated. In other words, there are two scenarios. In one scenario, as the Secretary has said, there is no unfairness and all institutions assess applicants based on their results. However, the Secretary has not replied Mr IP's question about whether he knows the names of the funded undergraduate programmes which admitted the most non-JUPAS and non-local applicants, and whether the admission of individual academic programme has given rise to a serious problem of plunging the applicants into "free fights" by looking solely at academic results. This explains why less than 50% of students of Architecture Studies was admitted through JUPAS. This is probably not attributable to manipulation, but the mere consideration of academic results ...

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

DR HELENA WONG (in Cantonese): *I am going to raise my supplementary question. If that is the case, we hope that the Secretary will pursue an answer about the number of the relevant programmes which have admitted more non-JUPAS applicants as no special measures are now in place to impose any restriction, as Mr IP has said.*

In that case, my supplementary question is: Should the Education Bureau conduct a review on why students taking the HKDSE or admitted through JUPAS have inferior results than students taking the IB Diploma Programme or other programmes? If this is the case, it would mean that there are serious problems

with our education policy, which has caused the HKDSE students to have poor academic results than students taking non-local programmes. In that case, this would be a very serious ...

PRESIDENT (in Cantonese): Dr WONG, you are repeating your views.

DR HELENA WONG (in Cantonese): *Will the Secretary conduct a review on this problem?*

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for her supplementary question. I wish to highlight two points in particular. Firstly, I am also aware of the press reports on some figures for this year as Member has just quoted, and I also agree that there is a need to relay the information to the UGC for further discussion.

Secondly, regarding the issue of results of students admitted as highlighted by Dr WONG, I would try to respond using the table for the CUHK for the year 2012-2013. Take the medicine and health programmes as an example, of the students admitted, the average score of IB students is 40.6, which is very high, whereas the average score of HKDSE students is 20.3. From this, we can see that the academic result of overseas students is not poor at all. Various institutions will admit students according to their criteria and based on merits.

MS CYD HO (in Cantonese): *President, regarding local students' choice of programmes or admission, apart from being affected by the influx of non-local students, a more fundamental cause is that the Government has all along failed to increase significantly the number of UGC-funded degree programmes for local universities. As a result, some 6 000 students eligible for university education cannot be admitted to funded degree programmes.*

May I ask the Secretary why these students have to go a winding path by paying as much as \$100,000 a year for associate degree programmes before they can be admitted to degree programmes? How can the Secretary help them secure a reasonable chance of admission to funded degree programmes?

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for her supplementary question. Let me answer this question in another way. We conducted a survey on the employment of Secondary Six students in 2012 and 59 000 students had responded to questions on their employment upon graduation. Of these respondents, 87.8% continued with their education by taking full-time courses; 31.6% studied degree programmes; 37.3% studied other post-secondary courses and 7.7% worked full time. Furthermore, about 7% chose to study overseas or on the Mainland. We can therefore see that the majority of students continue with their education. This is the first point.

The second point is, apart from the 15 050 funded university places, many other courses have been provided by other post-secondary institutions. Students can definitely apply for scholarship, grant and loan so long as the courses are locally recognized, and the relevant schemes should be able to cater for their needs. Our policy generally aims to prevent students from being deprived of education because of financial means, and this principle has been maintained all along.

For the third point, I must stress again that non-local students only accounts for 6% to 7% of the total, and the percentage generally falls within this range.

MS CYD HO (in Cantonese): *President ...*

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

MS CYD HO (in Cantonese): *President, the Secretary has not answered my supplementary question, but has only told us the outcome, which is beyond the control of students. I ask in my supplementary question how the Secretary will deal with students who are eligible for university education but are not admitted to funded degree programmes. Why should they pay such expensive tuition fee every year for sub-degree courses? Loan is not financial assistance, but 80% of the cost of degree courses are funded by the Government. Will the Secretary please answer my supplementary question about how the authorities would help*

those students who have met the university entrance requirements but have failed to be admitted to degree programmes?

SECRETARY FOR EDUCATION (in Cantonese): President, as Members may be aware, we have provided support to students through various means. Take 2012 as an example, of the 71 000 students, around 26 000 can meet the basic university entrance requirement of "3-3-2-2" and among them, some 15 000 students were admitted to funded degree programmes. Furthermore, we will provide 4 000 senior year undergraduate places every year, so that students may enroll in the third or fourth year of funded degree programmes upon completion of their associate degree programmes. Students who can prove their potentials and interests in further education may be admitted to these programmes.

The third option is students who have enrolled in eligible programmes may apply for scholarship, grant or loan. We are making progress towards this direction by providing support for students to further their education through various channels and providing career counselling.

MR ALBERT HO (in Cantonese): *President, I just heard that the Secretary has described the student admission policy as either "merit-based selection" or "the success rate is higher for local JUPAS applicants". Is that all the Secretary asks for? Being the Secretary for Education, what does he think the policy objectives of Hong Kong's funded university education should be? President, the supplementary question that I am going to ask is: Should we affirm that it is our mission to give priority to the nurturing of local talents to dovetail with the economic development of society, especially when local university education is heavily subsidized?*

Another question for the Secretary is: Given that no limit has been imposed on the number of overseas students permitted to study in Hong Kong under the existing policy, what is the average financial assistance for each overseas student? Although I am aware that these students pay a higher tuition fee, they still receive financial assistance from the Government. What is the maximum and minimum amount of financial assistance? Secondly, why can't we impose a cap to keep the percentage of admission below a certain level, so as to prevent the case of the Architecture Studies of the CUHK, which has admitted more than

50% of overseas students, or that of the Business Studies, which has admitted more than 30% of overseas students? Is this possible?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Member for his supplementary question.

As I have stated before, our existing policy aims to achieve the university cohort participation rate to one third of the relevant age cohort before 2015. Coupled with post-secondary or other courses, a total of 70% of students can now have an opportunity to receive post-secondary or university education. This is our policy objective.

Secondly, I must stress again that the majority of students admitted through non-JUPAS are local students. As they are graduates of associate degree programmes or other programmes, they can only be admitted to university through non-JUPAS.

Thirdly, regarding financial assistance, of those 20% overseas students, the majority have to pay relatively higher tuition fees on their own, which seek to recover the cost. Thus, the arrangement is different from that of local students, who may have special grant, fee remission or waiver. This is indeed the difference between local and overseas students.

MR ALBERT HO (in Cantonese): *President, the Secretary has not answered my supplementary question on the amount of financial assistance provided to overseas students. I asked about the percentage, amount or magnitude of financial assistance. Secondly, I asked why a cap cannot be imposed on the number of overseas students, I do not mean local students admitted through non-JUPAS, but overseas students. As overseas students are not local residents, should we impose a limit on the student intake?*

PRESIDENT (in Cantonese): Secretary, is there a scope for the provision of financial assistance to overseas students? Also, is there a limit on the student intake?

SECRETARY FOR EDUCATION (in Cantonese): President, according to our existing policy, the total student intake should not exceed 20% of the approved student number targets. What is more, no financial assistance has been provided to overseas students.

DR KENNETH CHAN (in Cantonese): *President, the Secretary should require the UGC to examine these figures. Although it is provided that the total number should not exceed 20%, there must be some underlying objectives or reasons for such a limit. As a matter of fact, the percentages of certain academic programmes have exceeded the limit and reached as high as 40%. We can therefore see that the problems have surfaced. Despite the fact that various institutions have adopted different calculation methods to portray a situation that the total student intake has been kept below the limit, the percentage of individual academic programme has actually exceeded the limit by more than 100%.*

President, the Secretary for Education has strongly emphasized that non-local students have not deprived local students of their opportunities for admission to universities or receive financial assistance, and as stated in the last part of the first paragraph of his main reply to Mr IP Kin-yuen's question "Since these students are primarily admitted through over-enrolment beyond the approved student number targets of UGC-funded institutions", I am going to ask a question specifically on this remark. Why did the Secretary use the word "primarily"? Does this mean that a certain portion, but not all 20%, are admitted beyond the approved student number targets of the institutions concerned?

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for his supplementary question.

We do have a policy in this regard. Of this 20%, there are certain outstanding students whom we are very eager to admit, and they account for about 4% of the number target. In other words, the remaining 16% does not receive any financial assistance at all. As for the outstanding overseas students whom we would like to absorb by all means, financial assistance must be provided to encourage them to study in Hong Kong.

PRESIDENT (in Cantonese): We have spent nearly 25 minutes on this question. If Members still have other questions, please follow up on other occasions. Third question.

Residence Requirement for CSSA

3. **MR JAMES TIEN** (in Cantonese): *President, the Court of Final Appeal (CFA) has earlier delivered its judgment on an appeal, lodged by a new arrival who came to settle in Hong Kong, against the rejection of her application for Comprehensive Social Security Assistance (CSSA), declaring that the requirement of seven-year residence in Hong Kong (residence requirement) stipulated by the Government for the CSSA Scheme was unconstitutional. As a result, the residence requirement must be restored to one year. Some members of the public have expressed the concern that the shortening of the residence requirement might have far reaching impact on Hong Kong, including a possible substantial increase in welfare expenditure. In this connection, will the Government inform this Council:*

- (1) *given that the Government has advised that it is comprehensively assessing the impact of CFA judgment, of the way in which such an assessment is being conducted and its specific scope, as well as when it will publish the assessment outcome;*
- (2) *given that Article 145 of the Basic Law specifies that "[o]n the basis of the previous social welfare system," the Government may "on its own, formulate policies on the development and improvement of this system in the light of the economic conditions and social needs", whether the Government will, in view of the shortening of the residence requirement under the CSSA Scheme, adjust its policies or adopt corresponding measures, for example, requesting the Mainland authorities to set "financially self-sufficient and possession of earning capacity" as one of the conditions for approving Mainlanders' applications for settlement in Hong Kong, so as to ensure proper use of public resources; if it will, of the details; if not, the reasons for that; and*
- (3) *whether it has studied if the shortening of the residence requirement under the CSSA Scheme will place a heavy financial burden on Hong*

Kong, as well as the solution to that problem; if it has conducted such a study and the outcome indicates that seeking the interpretation of the relevant provisions of the Basic Law by the Standing Committee of the National People's Congress is the only solution, whether the Government will do so?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my reply to Mr James TIEN's question is set out below:

(1) and (3)

The CFA handed down the judgment of a judicial review case on the residence requirement of the CSSA Scheme on 17 December 2013. The judgment declared that the "seven-year residence requirement" was unconstitutional and that the Government should restore the "one-year residence requirement" which was in effect before 1 January 2004.

The Social Welfare Department (SWD) will comply with the Court's judgment and process the applications according to the applicable procedures. The Government will not seek interpretation of the Basic Law from the Standing Committee of the National People's Congress.

As at the end of November 2013, there were a total of some 261 000 CSSA cases. The total number of recipients fell below 400 000, which was about 397 000. The caseload was the lowest since September 2002 and had been dropping for 32 months. This, to a certain extent, reflects that most Hong Kong people wish to be self-reliant. In addition, the Government has put in place a number of measures to enhance work incentive and alleviate poverty in recent years, including the statutory minimum wage, Work Incentive Transport Subsidy and programmes under the Community Care Fund. These measures, coupled with a robust economy resulting in a keen demand for labour and an increase in employment opportunities, help prevent our citizens from falling into the CSSA net.

In fact, since the implementation of the "seven-year residence requirement", the SWD has been exempting persons under the age of 18 from residence requirement under CSSA. In addition, the SWD may exercise discretion to grant CSSA to new arrivals aged 18 or above in cases of genuine hardship. Since the implementation of the "seven-year residence requirement" and until the end of October 2013, the SWD exercised discretion to approve over 14 000 applications. The Government's mechanism has all along been providing considerable flexibility.

The CSSA expenditure will increase owing to the relaxation of the residence requirement. In the three weeks since the CFA handed down the judgment and until 6 January this year, the SWD has received altogether 1 407 CSSA applications involving persons residing in Hong Kong for less than seven years.

The actual financial impact of the CFA judgment on the CSSA Scheme mainly depends on the financial situation of new arrivals and those who have resided in Hong Kong for some time, as well as their interest in applying for CSSA. In fact, the education level and family income of new arrivals have been on a rising trend. For instance, the proportion of new arrivals aged 15 and above who have attained secondary education level or above increased from 68% in 2001 to 85% in 2011. It is noteworthy that the proportion with post-secondary education level rose from 6% to 16%. Meanwhile, the median monthly domestic household income of households with member(s) residing in Hong Kong for less than seven years also increased by nearly 20%, from \$12,050 to \$14,070 over the same period. The Government could only more accurately estimate the effect of the CFA judgment on public finance after the new requirement has been in place for some time.

I have to point out that the CFA judgment was specific to the CSSA Scheme. It is clear that there are particular policy objectives and backgrounds for different welfare measures and public services (for example, public rental housing). The CFA did not lump together all Government assistance programmes. The CFA clearly pointed out that the judgment should not be applied generally to the application arrangements for other programmes.

- (2) There are suggestions to include the means of Mainland applicants as an eligibility criterion for One-way Permit (OWP). Pursuant to Article 22(4) of the Basic Law, for entry into Hong Kong, people from other parts of China must apply for approval. Mainland residents who wish to enter Hong Kong must apply for OWP from the Exit and Entry Administration Offices of the Public Security Bureau of the Mainland at the places of their household registration. The policy objective of the OWP Scheme is to allow Mainland residents to come to Hong Kong for family reunion in an orderly manner through approval by the Mainland authorities in accordance with the laws and regulations of the Mainland. In the OWP approval process, Mainland residents who meet the eligibility criteria laid down by the Mainland authorities may apply to come to settle in Hong Kong. The current quota is 150 per day. The Hong Kong Special Administrative Region Government does not see any justifications or needs to change the existing OWP Scheme to add other administrative screening criteria.

MR JAMES TIEN (in Cantonese): *President, for each and every immigration system in countries around the world, the power of vetting and approval is invariably vested with the host country. But as we all know, in the case of Hong Kong, the power of vetting and approving applications from Mainlanders for family reunion is vested with the Mainland authorities pursuant to the provision of the Basic Law. Nonetheless, in part (2) of the main reply, the Government stated that Mainlanders can come to Hong Kong so long as they comply with the requirements under the relevant laws and regulations of the Mainland and have the approval from the Mainland authorities. In this connection, we propose that the financial means of Mainland applicants should also be included as one of the conditions for approval, yet the Secretary just regarded it as a suggestion. Now I would like to ask the Secretary again whether the Government considers our proposal in order, and whether it will relay this proposal to the Mainland authorities so that the condition of "financially self-sufficient and possession of earning capacity" would also be considered in the approval process?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my reply is crystal clear. I have stated clearly in the last sentence of my reply

that the SAR Government does not see any justifications or needs to change the existing OWP Scheme at this stage. This point is very clear.

MR DENNIS KWOK (in Cantonese): *President, I would like to follow up on part (2) of the Secretary's reply in relation to the Government's interpretation on Article 22(4) of the Basic Law. Does the Government consider that, insofar as the vetting and approval of applications is concerned, the SAR Government has no power at all, and it is up to the Central Authorities to decide how many Mainlanders can come to Hong Kong under Article 22(4) of the Basic Law, and who they are. I hope the Bureau can further elaborate on this point.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): *President, according to the stipulation of the Basic Law, the application, approval and issue of OWP fall within the remit of the Mainland authorities. This point is very clear. Under the policy objective of family reunion, the Mainland authorities have set out open and transparent eligibility criteria under the OWP Scheme, so that Mainlanders can apply for settlement in Hong Kong so long as they fulfil the criteria laid down by the relevant Mainland authorities. This point is also very clear, and I have nothing further to add.*

MR FREDERICK FUNG (in Cantonese): *President, can the Secretary clarify one point, that is, whether CSSA could be taken to mean the absolute poverty line from the Government's perspective? In other words, people falling below this line will have a very difficult life in Hong Kong, or they can hardly survive. At present, many new arrivals can also receive CSSA, including persons under the age of 18 who are exempted by the Government. Separately, the investment migrants need not receive CSSA. Finally, applicants of CSSA include the spouses of Hong Kong residents or their children over the age of 18. For these people, employment assistance would also be provided by the Government. Under such circumstances, will the Government consider it acceptable for people to apply for CSSA on the ground of absolute necessity for survival?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): *President, I thank Mr FUNG for the supplementary question. The objective of CSSA is to provide support for people with genuine livelihood difficulties to meet their basic*

needs, that is, to fulfil their basic livelihood requirements. This is really the most important point.

MS CLAUDIA MO (in Cantonese): *In the last sentence of the main reply, the Government states that it does not see any justifications or needs to change the screening criteria under the existing OWP Scheme. Why aren't there any justifications or needs? All along, we have pointed out that some Mainlanders have come to Hong Kong with false documents, through bogus marriages or even corruption, which has in fact stalled the approval of genuine family reunion cases. That is a real justification and need. Regarding the spirit of "one country, two systems", why is it necessary to have "two systems"? While exit permits are issued by the Mainland authorities, why does Hong Kong have no power of approval at all under the spirit of "one country, two systems" in respect of entry of Mainlanders?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, we must take into consideration several practical issues. I understand the reason for the question raised by Ms MO just now. But, first of all, Members must understand that the OWP Scheme has been implemented for a long time. Insofar as the actual figures are concerned, the majority of these cases (that is, 98%) involve persons coming to Hong Kong either for reunion with their spouses or reunion with their parents. The OWP Scheme is neither an immigration system nor an admission scheme for talents, but strictly a system for family union. Hence, it is vital for Members to understand this objective.

As I have pointed out just now, 98% of the new arrivals on the strength of OWP came to Hong Kong either for reunion with their spouses or reunion with their parents. The remaining cases are made up of unsupported elderly people, persons joining their children in Hong Kong or children who need to be taken care of by relatives. It is clear that the OWP Scheme is premised on family union. That is the first point.

Secondly, at present, 35% of the marriages registered in Hong Kong are those between Mainlanders and Hong Kong residents. Spouses of Hong Kong residents can apply for OWP for settlement in Hong Kong after four years, which is also a reasonable and justifiable arrangement premised on family union. Moreover, as Members know very well, the CFA judgment is specific to the

CSSA Scheme and not other matters. Therefore, under such circumstances, we do not see any needs or justifications to change the existing scheme.

MR VINCENT FANG (in Cantonese): *President, in its judgment, the CFA declared that the seven-year residence requirement for CSSA was unconstitutional.*

I would like to ask whether the number of CSSA applicants would increase six-fold than the normal number. As new arrivals who have resided in Hong Kong for two years, three years, four years, five years and six years can also apply for CSSA from now on, would there be a significant increase in the number of applicants? In addition, whether CSSA recipients who have fulfilled the seven-year residence requirement would, on account of the Government's current breach of constitutionality, claim for retrospective CSSA payments for the preceding five or six years?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, Mr FANG. Given Mr FANG's worry about the issue, he will move an adjournment debate later. I thank him for raising this question.

First of all, regarding the question of whether the number of CSSA applicants would increase significantly, we really need to observe the trend. But of course, the number will definitely increase. In time, we will be able to make an assessment on the increase of caseload. Hence, we need some time before a comprehensive assessment can be conducted, and we will brief Members of the outcome in due course. That is the first point.

Secondly, as I have pointed out in the main reply, the prevailing environment has changed significantly in certain aspects from the time when the seven-year residence requirement was first implemented in 2004. If Members would recall, during the SARS outbreak in 2003, Hong Kong's unemployment rate hit 8.6% with the number of unemployed persons standing at about 310 000. At present, the unemployment rate is 3.3%, signifying a state of full employment, with the number of unemployed persons at some 126 000. The environment has already changed significantly. Moreover, various measures to alleviate poverty and enhance work incentive including the statutory minimum wage, Work Incentive Transport Subsidy and programmes under the Community Care Fund

are non-existent at that time. Therefore, as the current environment and overall situation in society have already changed significantly from the past, we must make an assessment carefully.

Regarding the question of retrospectivity, the answer is that there will be no retrospectivity. This is definitely a matter looking into the future, without any question of retrospective effect.

MR CHAN CHI-CHUEN (in Cantonese): *President, after the CFA handed down its judgment in mid-December, there has been strong public reaction in society. As Mr James TIEN has mentioned, people are concerned whether the SAR Government would be put under a heavy financial burden, whether sufficient fiscal reserves are available, and whether the Government can assess the situation correctly? However, it seems that the Government is very much in command. In his main reply today, the Secretary is actually suggesting that there is no cause for alarm because the education level and median household income of new arrivals have been on a rising trend. In other words, the Government is telling Hong Kong people that the relevant expenditure will not increase significantly in future.*

I would like to focus on the last sentence in part (2) of the main reply, viz "The Hong Kong Special Administrative Region Government does not see any justifications or needs ...". Why aren't there any justifications or needs? I hope the Secretary can give us a clear explanation because the Report of the Task Force on Population Policy in 2003 had pointed out the burden on public expenditure when the Government first extended the residence requirement from one year to seven years, and when stating its case to the CFA, the Administration claimed that the seven-year residence requirement was introduced to cut down welfare expenditure, so as to ensure the long-term sustainability of the social security system. That was how the Government presented the figures. But when Members ask the Government a legitimate question today, that is, whether it is necessary to include the financial means of applicants as a factor of consideration, the Government replies that there is neither the justification nor the need to do so. Is there any inconsistency with its original policy?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): *President, I have already given a clear account in my reply to Ms Claudia MO's question just*

now. Perhaps let me repeat it again. If Members analyse the objective facts carefully, they would notice that the current OWP Scheme is premised on family reunion, as 98% of the cases involve Mainlanders coming to Hong Kong for reunion with their spouses or children. Against this background, it is meaningless to include any economic factors because the target is still the same group of people, and they would be allowed to come to Hong Kong eventually. Firstly, this is a stipulation in the Basic Law. Secondly, Members should not forget that at present, 35% of the marriages registered in Hong Kong are those between Mainlanders and Hong Kong residents, and their spouses can apply for OWP to come to Hong Kong for settlement after four years. Incidentally, new arrivals on the strength of OWP are a source of population growth in Hong Kong because Mainlanders who come to Hong Kong on the daily quota of 150 places would become the main driving force of population growth in future. Hence, we should consider the matter from a wider perspective and refrain from taking a narrow-minded approach.

We are taking pragmatic steps in this matter. We will conduct an assessment in order to clearly ascertain the impact, and a full account will be provided to Members in due course. We will also ensure vigorous gate-keeping to prevent any abuse of the CSSA benefits. It is our aim to ensure the proper use of public resources.

MR WU CHI-WAI (in Cantonese): *President, the CSSA system is meant to support needy Hong Kong residents. Nonetheless, why are there so many grievances against it in recent years? As we note from the comments made by members of the public during our community visits, one reason is that many CSSA recipients may actually have a lot of undeclared assets in the Mainland. As such, members of the public would query whether these CSSA recipients in Hong Kong really have a genuine need for assistance.*

Under the CSSA system, applicants are actually required to declare all their assets, including local and non-local assets. I would like to ask the Secretary whether the Government would, on account of such voice or view, tighten the checking on CSSA applications, especially in respect of non-local assets, so as to convince members of the public that CSSA recipients are indeed in need of assistance.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thanks to the member for raising his concern, which brings out the question on gate-keeping. I am very concerned about it myself, and my colleagues in the SWD are also monitoring the situation closely. We will always strive to ensure that public funds are used properly and will not be abused. In this connection, the SWD has set up a dedicated Special Investigation Section staffed by 120 officers to combat CSSA fraud cases. In addition, eight retired officers from the disciplined forces, notably the police, have been appointed as fraud investigation advisors. In fact, the occurrence of fraud cases has been quite stable in recent years.

In this respect, the public can report suspected fraudulent cases by calling our report hotline at 2332 0101 or by completing a mailing chit. In fact, many abusers have been caught and punished through reporting by the public. Over the past three years, the average number of CSSA abuse cases is 900-odd per year. Among the substantiated cases referred to the police for follow-up, many have been subsequently convicted. For instance, there are 184 cases of conviction in 2013-2014, and the defendants have been sentenced to imprisonment terms. Overall speaking, in every 1 000 CSSA cases, there might be irregularities in about 37 cases, or 0.37%, which would require our follow-up. Hence, we will definitely step up front-line inspection and particularly, there will be more stringent vetting in respect of assets. That is an area we will work on.

MR WU CHI-WAI (in Cantonese): *My question is about the investigation of assets in the Mainland. But it seems that this aspect is not covered in the Secretary's lengthy reply just now. Is there any co-operation between the Administration and the Mainland authorities to deal with this problem?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, there is indeed work in this regard. If necessary, we will contact the relevant Mainland authorities, enquire about the ownership of assets by the applicant concerned or conduct searches of the databases maintained by the relevant land resources and housing administrative bureau. As many countries would upload information on assets, land sale, and so on, onto the Internet, we can search through such records. Meanwhile, as I have said just now, there is a dedicated team with 120 staff members in the SWD responsible for combating abuses. In fact, of the 14 000 cases with exemption granted by the SWD on discretion over the years, we have conducted background checks on all the applicants before

approval given for CSSA payments. We have experience in handling cases involving Mainland assets as such cases have also come up in the past.

MR PAUL TSE (in Cantonese): *President, in paragraph 4 of his reply to parts (1) and (3) of the question, the Secretary mentioned that since the implementation of the "seven-year residence requirement", the SWD has exercised discretion to approve over 14 000 applications, even though this requirement was not met. I would like to know: What is the proportion of 14 000 applications in relation to the total number of applications, and what is the actual percentage? Notwithstanding the public's view, what is the Government's stand towards those people who have been deprived of protection under the law as a result of the Government's breach of constitutionality, even though they cannot claim any retrospective payments?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): *President, I thank Mr TSE for the supplementary question. Of these 14 000 approved applications, 8 000 cases involve applicants who are capable of work and being self-reliant. We will give them encouragement. Special assistance will only be provided if the applicants want to be self-reliant, instead of living on CSSA, but cannot do so due to some particular difficulties. From January 2004 to the end of October last year, a total of 36 000-odd cases have been received. We would explain to the rejected applicants the residence requirement, and 20 000-odd cases voluntarily withdraw their applications or their applications were rejected. With our vigorous gate-keeping, only about one third of the applications would be approved. While it is possible that these applicants might apply again in future, some of them have already fulfilled the seven-year residence requirement and hence, they need not apply for CSSA through this route.*

We will closely monitor the situation in the next few weeks. While 1 407 CSSA applications were received in the first three weeks, we have been observing the relevant trend. In the past few days, only 60-odd cases were received per day on average. The caseload is not huge. We will continue to monitor the situation and brief Members accordingly.

Regarding retrospective payments, the requirement is very clear. As a legal expert, Mr TSE should know it very well. Generally, there is no

retrospective period under these circumstances, and only future cases would be affected.

MR JAMES TIEN (in Cantonese): *President, even though the ground of family reunion is provided under the immigration system in all countries around the world, the host country would naturally welcome immigrants who are self-reliant or with the financial means, or would be supported by their own families. If it is obvious that they neither have any earning power nor means, or their families are incapable of supporting them when they come to Hong Kong — pardon me, I should say the host country — and they must live on social assistance, I do not think many countries would be willing to take them in.*

Under the current immigration policy of countries like the United Kingdom, the United States and Canada, the financial means of an applicant is also a factor for consideration, that is, there is the requirement that the applicants or immigrants must not live on welfare benefits when they settle in the country. I would like to ask whether the Government is trying to overtake the Western countries with its current policy.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr TIEN for the supplementary question. I totally understand Mr TIEN's concern. In fact, as I have said just now, Hong Kong's OWP system is somewhat different from the system in other places. The OWP system is strictly a system for family reunion, while under the immigration systems of overseas countries, a point-based system is used to assess the kinds of talents required locally. But the OWP system is strictly a system for family reunion on the basis of humanitarianism. Moreover, such an arrangement has been expressly provided in the Basic Law, and it is very difficult for us to make any substantial changes. Nonetheless, the Immigration Department and the Security Bureau would always listen to the public's views and relay the same to the corresponding Mainland authorities, so that the system can be improved constantly. For example, the requirement has been relaxed to allow grown-up children to come to Hong Kong. But overall speaking, Members must understand that this is strictly an arrangement for family reunion. It is very important for Members to understand this purpose.

PRESIDENT (in Cantonese): This Council has already spent over 24 minutes on this question. Fourth question.

Review of Policies and Measures with Differential Treatment for Permanent and Non-permanent Residents of Hong Kong

4. **MS CLAUDIA MO** (in Cantonese): *The Court of Final Appeal (CFA) has earlier handed down its judgment on an appeal case, declaring that the requirement of seven-year residence in Hong Kong stipulated by the Government for the Comprehensive Social Security Assistance (CSSA) Scheme was unconstitutional. As there are quite a number of government policies which accord differential treatments to permanent residents of Hong Kong (HKPRs) and non-HKPRs, some members of the public are concerned whether those policies have contravened Article 25 of the Basic Law, which stipulates that "[a]ll Hong Kong residents shall be equal before the law". In this connection, will the Government inform this Council:*

- (1) *given that non-HKPRs are subject to both Buyer's Stamp Duty (BSD) and the enhanced ad valorem stamp duty (AVD) rates, which were introduced by the Government in October 2012 and February 2013 respectively, but all HKPRs are not subject to the former while some HKPRs are not subject to the latter, whether the authorities have assessed if such taxes have contravened the aforesaid Basic Law provision; if the assessment outcome is in the affirmative, of the solution;*
- (2) *as the leases for the sites sold pursuant to the "Hong Kong Property for Hong Kong People" measure specify that the residential flats built on them can only be sold to HKPRs, whether the authorities have assessed if such terms and conditions have contravened the aforesaid Basic Law provision; if they have assessed, of the details; if not, whether they will conduct such an assessment promptly and make public the results; and*
- (3) *whether it has assessed if other measures and policies, which restrict business practices and accord differential treatment to different groups of residents, have contravened the aforesaid Basic Law*

provision; if it has, of the outcome; if not, the reasons for that, and whether it will conduct such an assessment promptly?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the judgment of the CFA made on 17 December 2013 was specific to the Comprehensive Social Security Assistance Scheme. The Court clearly stated that the judgment cannot be extrapolated for general application across the spectrum of all public services. In other words, in determining whether a difference in treatment between HKPRs and non-HKPRs is reasonable, rational and constitutional, one has to take into account the objectives, justifications and other key factors of the relevant Government policies or services.

Article 25 of the Basic Law provides that all Hong Kong residents shall be equal before the law. This guarantee does not invariably require exact equality in all cases. First, only like cases should be treated alike. Second, differential treatment of persons in analogous situations would not infringe Article 25 of the Basic Law if the difference in treatment is justified: the difference in treatment pursues a legitimate aim, is rationally connected to the legitimate aim, and is no more than is necessary to accomplish that aim.

The Government has all along been formulating policies and measures, including but not limited to those regulating business practices, with due regard to the relevant social and economic objectives; their wider implications; the need for a fair business environment; and will ensure that they are in compliance with the laws of Hong Kong, including the Basic Law. While individual policies or measures may involve differential treatments among different target groups in society, the Government will only make such distinctions in pursuit of legitimate policy intentions. My response to the specific policies mentioned in Ms Claudia MO's question is as follows.

Demand-side management measures in respect of the property market

The overheated property market in Hong Kong has reached a state of irrational exuberance in recent years. As far as residential properties are concerned, overall flat prices had risen by 26% in 2012, culminating in a hefty increase of 117% over the 2008 trough as at end 2012; the share of residential property market transactions taken up by non-local buyers was also generally increasing. On non-residential properties, prices of retail, office and flatted

factory space surged by a cumulative 39%, 23% and 44% respectively in 2012. Compared with the recent trough in 2009, sale prices for these properties had soared by 148% to 202%.

The Government announced two rounds of demand-side management measures in October 2012 and February 2013 respectively, including the introduction of the BSD and the increase in the AVD for residential and non-residential properties, in order to address the irrational market exuberance and maintain the healthy and stable development of the property market.

The BSD aims to reduce the demand for residential properties (including demand from foreign investments) by increasing the transaction costs of all residential properties, excluding those involving HKPRs and other reasonable situations that are exempted. It pursues the legitimate aim of according priority to meeting the home ownership needs of HKPRs who have a close connection with Hong Kong under the current tight supply situation, and is also rationally connected to its policy objective. The Government has also been careful in addressing the issue of acquisitions of residential properties by companies. In order to ensure that all companies are treated equally under the system, we cannot accept the suggestion to distinguish companies established by HKPRs from other companies and exempt the former from the BSD.

The increase in AVD aims to reinforce demand management on those who have already owned residential properties and forestall shifting of overheating in the residential property market to the non-residential property market. Upholding the policy of according priority to the home ownership needs of HKPRs, under the revised AVD regime, HKPRs who are not the beneficial owner of any other residential property in Hong Kong at the time of acquisition of a residential property are exempted from the new AVD rates. This arrangement is rationally connected to the policy objective of the revised AVD regime. That said, HKPRs do not enjoy any special treatment in respect of non-residential properties.

The Government has carefully analysed the legal implications of these measures before introducing them, and considered that they are in compliance with the Basic Law and are no more than necessary to accomplish the policy objectives. Demand-side management measures have been proved to be effective in stabilizing the property market since they were introduced, and are in

the interest of society as a whole and the macro economy. As the relevant measures are extraordinary measures under the exceptional circumstances, suitable adjustments to the measures would be made as and when necessary.

Hong Kong Property for Hong Kong People

As regards the "Hong Kong Property for Hong Kong People" measure, it aims at giving priority to HKPRs in making use of our scarce land resources for residential development, having regard to the housing supply situation. The measure does not apply to the existing residential flats in the market, or flats to be constructed on other non-designated residential sites.

Earlier the Government applied the measure on a pilot basis to two residential sites in the Kai Tak Development Area, which were sold by tender in June last year. As implemented through the lease conditions, the residential flats built on the two sites can only be sold to HKPRs within 30 years from the date of land grant. The pilot scheme complies with the requirements of the law of Hong Kong, including the Basic Law. As the scheme is of a pilot nature, the Government will review the scheme at an appropriate time.

MS CLAUDIA MO (in Cantonese): *President, my question today was first asked by "Longhair" of the stock market, David WEBB, and I am pleased to hear the Government say in its reply that the whole matter is reasonable, rational and constitutional. Actually, public nomination in relation to political reform is just the same. Sorry, President, I will not digress any further. I wish to ask a simple follow-up question. In respect of this subject, can the Government clearly indicate that concerning the relationship between administrative measures and rule of law in accordance with the Basic Law and the legislation of Hong Kong, it has full confidence to face up to legal challenges and will not be scared?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I said in the main reply, we had carefully considered the legal implications before introducing the property market demand-side management measures and the HKPHKP trial measure, and lawyers of the Department of Justice had carefully analysed the various aspects, including the Basic Law, the

spirit of the rule of law and other legal provisions in Hong Kong. Therefore, as I said in the main reply, we considered that the measures are in compliance with the Basic Law.

MR PAUL TSE (in Cantonese): *President, the Secretary has explained what we have understood all along, which is the three criteria of being rational, reasonable and constitutional. However, a few days ago, at a meeting of a bills committee scrutinizing one of the "harsh measures", the Government changed its stance within one month. At first, the Government said that HKPRs under the age of 18 should not be discriminated against, and a line had not been drawn in the original Bill that exempted them from the "harsh measures". However, a month later, while there were no substantial changes in the circumstances, the Government has, after repeated consideration, changed its stance from minors under 18 should not be discriminated against to there was no problem to discriminate them. Will such a change give people the impression that the Government has "whatever way it wants"? In particular, now that the CFA has made the above judgment, even if Article 25 of the Basic Law was not its key consideration in making that judgment, will the Government give some thought to it? In the past, the Government always speculated about its compliance with the Basic Law rather than adopting a more consistent principle in treating the matter.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Mr TSE was referring to the discussion by the Bills Committee on the Stamp Duty (Amendment) Bill 2012 about whether Hong Kong residents, including HKPRs, under 18 should be exempted from the BSD in the acquisition of residential properties. In the original Bill, there was indeed no age distinction. During the discussions of the Bills Committee, however, many members considered that there was a problem in this respect. As minors have to rely on their guardians or parents in acquiring residential properties, some parents who are not HKPRs may take advantage of this loophole to avoid paying the BSD. After detailed discussion with members of the Bills Committee, the Government conducted a comprehensive review of the problem again. In our view, the implementation of the BSD as a demand-side management measure is

to pursue the legitimate aim of stabilizing the property market by imposing certain restrictions and hence we set down the distinction between HKPRs and non-HKPRs. It follows that most minors under 18 normally stay with their parents and have no immediate need for home ownership; hence this approach still meets the objective of stabilizing the property market and reducing unnecessary transactions. The differentiation targets all minors under 18 and there is no distinction whether their parents are HKPRs or not. Therefore, after the review, the legal advice is that our approach is in line with the relevant legal requirement.

MR PAUL TSE (in Cantonese): *President, in view of the impact of the CFA's judgment on the case about Madam KONG's application for CSSA and Article 25 of the Basic Law, have the authorities reviewed or will they review the relevant "harsh measures" again against this background and seek legal advice on this discriminatory issue and make a decision accordingly?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, all along the Government has complied with the relevant provisions of the Basic Law in considering its policies. We will, as far as possible, give equal treatment to all people under the same situation and having the same status, unless there are other considerations as those mentioned in the main reply. In paragraph 47 of the CFA's judgment on this case in relation to CSSA, questions are raised regarding whether the relevant restriction, which is of course the residence requirement of CSSA applicants, pursues a legitimate societal aim and whether the restriction is rationally connected with the attainment of that end. In other words, under certain circumstances, restrictions can be imposed if the aim is legitimate and the approach is relevant and is no more than is necessary to accomplish that aim. All along, we have adhered to these criteria when considering various issues.

MR PAUL TSE (in Cantonese): *The Secretary has not answered my supplementary question. I mainly ask whether the Government has consulted or will consult legal advice on the impact of the current "harsh measures". I am not asking about the approach in general but the specific situation concerning this case.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we do not think that the demand-side management measures introduced has infringed the Basic Law. Having consulted the judgment handed down by the CFA concerning the CSSA case, we do not consider it will pose a problem.

PRESIDENT (in Cantonese): Fifth question.

Compliance with Land Leases by The Link Management Limited

5. **MR LEE CHEUK-YAN** (in Cantonese): *It has been reported earlier that after alteration works were carried out by The Link Management Limited (LML) in various shopping malls (including the Stanley Plaza, Cheung Fat Plaza and Lung Cheung Plaza) under its management, the floor areas of these malls have exceeded the permissible floor areas stipulated in the respective land leases. In this connection, will the Government inform this Council:*

- (1) *given that in its reply to a question raised by a Member of this Council in February 2012, the Government advised that the District Lands Office/Hong Kong West and South was then examining the information submitted by the LML on the alteration and addition works of the Stanley Plaza and it is now almost two years since then, why the authorities have not yet released the examination results and what the latest progress of the examination is;*
- (2) *whether it has investigated if the conversion works carried out by the LML in Cheung Fat Plaza and Lung Cheung Plaza have rendered the floor areas of these two malls to exceed the permissible floor areas stipulated in the land leases; if it has, of the details; if not, the reasons for that; and*
- (3) *whether it has comprehensively examined whether the floor areas of various properties managed by the LML have exceeded the permissible floor areas stipulated by the land leases upon completion of alteration works; if it has, of the details and the follow-up actions the authorities had taken when they uncovered*

violations of the land lease conditions; if it has not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the Hong Kong Housing Authority (HA) divested its 180 commercial and car-parking facilities through the listing of The Link Real Estate Investment Trust (The Link) in November 2005. Since then, the properties of The Link have been managed by the LML. The Government and the HA do not hold any shares of The Link or LML, and are not involved in the day-to-day operation and business management of the LML.

Generally speaking, land leases involving the properties of The Link are originally granted to the HA. After the divestment mentioned above, the HA and The Link own the floor areas of commercial facilities respectively as in their respective properties in the lot. Same as the owners of other private properties, The Link, being the owner of the properties, is required to ensure the use of the properties comply with the relevant lease conditions and that any alterations comply with the requirements applicable to private property developments, including obtaining approval of building plans and consent to the commencement of building works from the Buildings Department (BD) in accordance with the Buildings Ordinance. The alteration and extension works concerned should also comply with the lease conditions, including that such works should not exceed the gross floor area (GFA) for commercial facilities permitted in the land lease.

According to the established procedures, upon receipt of building plans submitted by The Link for alteration works to be carried out in its properties from the BD or the Independent Checking Unit of the Housing Department (HD), the Lands Department (LandsD) will examine whether the works comply with the lease conditions, including whether the cap on GFA of commercial facilities as stipulated in the lease conditions has been exceeded. Where the building plans approved by the BD deviate from the lease conditions, the land owner may apply to the LandsD for approval or modification of lease conditions. The LandsD will consider the application in the capacity of a landlord and may decide to approve or reject it. This include, in the case of approval, the LandsD may impose conditions such as payment of premium.

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

- (1) The District Lands Office/Hong Kong West and South received the building plans submitted by The Link from the BD for alteration and extension works of the Stanley Plaza in accordance with the established procedures in September 2011, and carried out examination of the plans based on the lease conditions. However, The Link had commenced the works before obtaining approval from the District Lands Office (DLO). Subsequently the DLO requested The Link to submit the documents concerned and justifications for the DLO to examine whether the works together with the portions owned by the HA had exceeded the original commercial floor area of the Stanley Plaza before divestment, and as a result exceeding the cap on commercial GFA under the land lease and contravening other lease conditions. The DLO had also sought legal advice, and followed up the matter by sending correspondences and meeting with The Link on a number of occasions. In a meeting in September 2013, the DLO reiterated the stance of the Government, but The Link disagreed and appealed and requested for a review. The DLO is following up this case. It is inappropriate for the Government to disclose details of the discussion at this stage to avoid compromising any action which may be taken in future.
- (2) The respective DLOs received the plans submitted by The Link from the Independent Checking Unit of the HD for alteration works of Cheung Fat Plaza and Lung Cheung Plaza in accordance with the established procedures, and carried out examination of the plans based on the lease conditions. However, The Link had commenced the works before obtaining approval from the DLOs. The DLOs are now following up according to the lease conditions. The leases concerned set out the permissible floor areas of commercial facilities in the two properties, but not specifying the floor areas of commercial facilities owned by the HA and The Link respectively. The respective DLOs have to find out whether the GFA of each of the malls after alteration together with the portions owned by the HA still comply with the total GFA before divestment, so as to ascertain whether the GFA cap stipulated in the leases has been exceeded or not. The respective DLOs had requested The Link to clarify whether the floor area declared by it included the area of commercial

facilities owned by the HA, and was awaiting its reply. The DLOs also ask the HD to provide relevant information for verification.

- (3) As mentioned above, the LandsD examines building plans submitted by The Link for alteration works of various properties held by it according to established procedures to ensure whether the works comply with the land leases. In case any breach of the land lease conditions is detected, the LandsD will seek legal advice and consider taking appropriate lease enforcement actions, including issuing warning letters. If the breaches are not rectified, the respective DLO will consider taking further actions, including re-entering the land under the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126). On the other hand, if The Link applies for lease modification or applies for other approval to allow for the floor areas of the properties after alteration, the LandsD may consider the application and will impose additional conditions as appropriate such as payment of premium.

MR LEE CHEUK-YAN (in Cantonese): *President, it is estimated that The Link has "inflated" an extra floor area of 230 000 sq ft which, if calculated at the average price of \$10,000 per sq ft, has "inflated" an extra profit of \$2.3 billion. The Government has given \$2.3 billion to The Link. How does The Link "inflate" more floor areas? The Link has converted passageways, public areas and carparks or altered their layouts. For example, converting the area on one side of the spacious passageway into a shopping mall. In Cheung Fat Estate, there used to be a public area. But as we can see, the area has suddenly been converted into a food court. It is no longer a public area but an area for food premises. As a result, The Link has gained even more profits.*

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

Deputy President, however, from parts (1) and (2) of the main reply, we can see The Link's tactics in "inflating" floor areas. So long as The Link submits application to the BD and has not violated legislation regarding fire and building structure, the application will be approved. The Link needs not pay attention to the LandsD and the LandsD can do nothing.

I would like to ask the Secretary whether the Administration is so incompetent that after negotiating with The Link on the case of the Stanley Plaza for two years, no actions have been taken. The same situation also applies to other shopping malls. The Link can go so far as to carry out alteration works without notifying the LandsD and even charging rents. The authorities simply do nothing. I do not know what they are doing ...

DEPUTY PRESIDENT (in Cantonese): Mr LEE, what is your supplementary question?

MR LEE CHEUK-YAN (in Cantonese): *I would like to ask whether the authorities really cannot do anything. Concerning the case of the Stanley Plaza, nothing has been done after two years. I would like to ask the Secretary to explain the reasons behind.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, first of all, I must point out that as mentioned in the main reply, staff of the LandsD have in fact actively followed up the matter and the last meeting with The Link was in September last year. As mentioned in the main reply, The Link disagreed with the LandsD on the portions exceeding the permissible floor area in the Stanley Plaza and subsequently raised objection and filed an appeal. The matter is now being handled.

Take the Stanley Plaza as an example. As the appeal is still in progress, I am not in a position to disclose the details. However, the percentage of floor area in excess is not as much as 20% as pointed out by Mr LEE Cheuk-yan. Based on the information on hand, the portion in excess only accounts for a few percentages. The LandsD handles the case of The Link in the same way as other cases and will never give more lenient treatment to The Link. After the appeal is concluded, if the works concerned are still in breach of the original requirements, we can take action. The staff of the LandsD will not hesitate to issue warning letters and "impose an encumbrance" as mentioned just now; they can even re-enter the land in accordance with the law.

Deputy President, our colleagues will actively take follow-up action.

MS CYD HO (in Cantonese): *Deputy President, the Government pointed out in the main reply that in accordance with the Buildings Ordinance, works can only be commenced after approval or consent from the BD on the building plans is obtained. The ratio of commercial floor area in the land lease was stipulated by the Government and The Link under disputes. However, work contractors should abide by the code of conduct and the law. It is an obvious non-compliance if works are commenced and even completed without the approval of the BD. This point is clear enough without the discussion between the Government and The Link. Nonetheless, why has the Government dragged on for so long without taking any enforcement action?*

SECRETARY FOR DEVELOPMENT (in Cantonese): *Deputy President, when The Link commenced its works, approval from the BD had already been obtained. It is just that approval from the LandsD has yet to be obtained.*

I must point out, as stated by the former Secretary in his reply to Members' question in this Council, according to the Buildings Ordinance, the vetting and approval of the BD on the building plans and application for commencement of works is a statutory process independent of the LandsD. The BD is responsible to examine if the works are in compliance with the requirements regarding the GFA stipulated in the land lease conditions. As such, there are two independent mechanisms. The former is a statutory approval mechanism. If the works do comply with the statutory requirements such as safety standard in the building plans, the BD cannot refuse to give approval.

MR LEUNG YIU-CHUNG (in Cantonese): *Deputy President, The Link has now become a property owner. In developing public housing estates, the HD often indicates that the consent of The Link must first be obtained before any works or alterations can be carried out. Similarly, should The Link also obtain the consent of the HD for any alteration, extension, or conversion works in its shopping malls before such works can be carried out? If so, in this case, how come The Link can still carry out its works even though the floor areas have exceeded the permissible areas? Has the HD given its prior approval? If not, how come The Link can submit building plans to the BD or LandsD for approval? The HD should be the first gate-keeper. Can it be said that the HD has been in dereliction of its duties? If not, how come The Link can get away with it?*

SECRETARY FOR DEVELOPMENT (in Cantonese): As mentioned by me just now in reply to Ms Cyd HO, the vetting and approval of the building plans and the issuance of works commencement papers involve two independent statutory mechanisms. If the works are in compliance with the requirements provided in the Buildings Ordinance, approval will certainly be granted. As regards whether the final GFA upon the completion of alterations works are consistent with those stipulated in the land lease, it is governed under another mechanism. This involves the question of whether the requirements in the land lease conditions are met and is subject to examination by the LandsD. That is why the above situation has emerged.

I would like to illustrate with an example. I believe we still remember that the media disclosed in September 2009 that The Link might have rented out some of its car-parking spaces to users not designated in the land lease. The LandsD followed up the matter immediately and took lease enforcement actions, including clawing back the waiver fees and the related interests.

Therefore, as illustrated in the case mentioned just now, in the case of the Stanley Plaza, if it is finally concluded that the GFA of The Link's properties have in fact exceeded the permissible cap in the land lease, we will actively follow up and take appropriate actions. These include charging a premium, granting short-term waivers, charging by sessions or requesting a restoration, whichever is appropriate depending on the actual situation.

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

MR LEUNG YIU-CHUNG (in Cantonese): *The Secretary has not answered my question. He is just side-tracking and evading, or has the Secretary misunderstood my supplementary question?*

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

MR LEUNG YIU-CHUNG (in Cantonese): *Let me be more specific, at present, although there are two owners for all areas in a housing estate but ...*

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG, you may just follow up the part which has not been answered by the Secretary.

MR LEUNG YIU-CHUNG (in Cantonese): *I am not sure whether the Secretary has misunderstood my supplementary question just now.*

DEPUTY PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered by the Secretary?

MR LEUNG YIU-CHUNG (in Cantonese): *My question is: As consent from the HD must be obtained before any works and alterations are carried out by The Link, and in fact, at present, consent from The Link must be obtained before any works are carried out by the HD. In other words, in terms of ownership, both parties have the right to make decision. If either party disagrees, the other party cannot carry out the works. However, how come The Link can carry out these works now? Deputy President, I am asking whether the HD has given consent. If the HD has given consent, then there is dereliction of duty on the part of the HD.*

DEPUTY PRESIDENT (in Cantonese): Your follow-up question is now very clear.

MR LEUNG YIU-CHUNG (in Cantonese): *If the HD has not given consent, how come The Link can carry out the works?*

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG, your follow-up question is now very clear. Please sit down.

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, there is definitely no dereliction of duty on the part of the HD. The HD has given approval in accordance with the Buildings Ordinance and the authorization delegated by the BD.

DR KWOK KA-KI (in Cantonese): *Deputy President, the listing of The Link is surely a big disaster. As we can see, The Link has tried every means to maximize its profits since its listing. The increase in rentals is passed onto members of the public, particularly residents in the public housing estates. The problem is that the Government has done nothing in these two and a half years since September 2011, despite all the boast about its omnipotence on papers, but in reality, nothing has been done. May I ask the Secretary when he will, as stated in the main reply, take "further actions" which sound so appealing, as well as how and when he will re-enter the land?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, we would certainly make the best effort to deal with every matter expeditiously. On the other hand, we also have to pay regard to the appropriate procedures. As I said just now, staff of the LandsD already met with The Link in September and The Link indicated that it disagreed with the calculation of the LandsD. Therefore the appeal is now in progress. I have instructed staff of the LandsD to perform a vigorous gate-keeping role in this regard.

DR KWOK KA-KI (in Cantonese): *Deputy President, my supplementary question is clear enough. I also hear from the Secretary say reply about the meeting in September. My supplementary question is when he will take action to re-enter the land as permitted by law?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, I have already replied and have nothing to add.

MR PAUL TSE (in Cantonese): *Deputy President, all persons should be equal before the law. Be it The Link or other owners, they should abide by the law. However, we know that The Link is one of the organizations in Hong Kong that is*

most controversial and provokes most contentions. As such, in handling the matter, if The Link has similar bad records of acting first and reporting afterwards, as well as stalling the enforcement of the Government in terms of procedure, has the Government put in place other preventive measures, such as warning, negotiation or instruction? By doing so, The Link may somehow realize that it is unacceptable to adopt this attitude of acting first, reporting afterwards, and take advantage before the illegal act is uncovered.

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, I thank Mr Paul TSE for his supplementary question. As I said just now, we will follow up seriously. We have also heard clearly Members' views on this matter and will communicate with the management of The Link directly.

MR ALBERT HO (in Cantonese): *According to what the Secretary has said, when the BD approved the commencement of works, it is totally not required to consider the views of the HD or LandsD because the mechanism operates independently. In other words, according to the saying of the Secretary, The Link can totally act in accordance with its own interpretation, which may be totally wrong, and totally in contravention of the land lease conditions as well as the agreements signed with the HD, so long as the BD considers that the safety requirement is met. And the Government can do nothing so far.*

In that case, may I ask the Secretary whether there is a serious problem with the whole mechanism? The dispute can drag on for five or 10 years, meanwhile, The Link can act arbitrarily. It can demolish all its shopping malls, convert any public passageways, or even totally violate the agreements signed in the past. Is it true that the Government can do nothing about this situation and have to wait until after the conclusion of an appeal, followed by a judicial review and then an appeal to the Court of Final Appeal? In this way, the case may drag on for five or 10 years?

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, the Buildings Ordinance is not only applicable to the works carried out by The Link, but also all other construction works of any scale. In considering whether amendment should be made in the light of the situation mentioned just now, we must take into account the impacts in a wider sense. At present, so long as the

LandsD steps up its efforts and speeds up its action in monitoring lease enforcement, certain effects can be achieved. It is not appropriate to amend the existing statutory mechanism on the vetting and approval of building plans and commencement of works provided under the Buildings Ordinance.

DEPUTY PRESIDENT (in Cantonese): This Council has spent more than 22 minutes on this question. Last question seeking an oral reply.

Staging of Formula E Motor Racing Championship Series in Hong Kong

6. **MR MICHAEL TIEN** (in Cantonese): *Deputy President, in early 2013, the Financial Secretary said in his Budget speech that in view of the fact that our neighbouring cities had organized events such as Formula 1 Races in recent years, the Government would take the initiative to seek to host more mega events. It is learnt that Hong Kong was once listed a few months ago by the organizer of Formula E motor racing championship as one of the host cities for its 2014 tentative programme, but in the official programme unveiled early last month, Hong Kong was no longer on the list. In this connection, will the Government inform this Council:*

- (1) *whether it has assessed the benefits of staging Formula E motor racing championship series (championship series) in Hong Kong on building the "Hong Kong" brand, promoting tourism, attracting more mega events to be held in Hong Kong, as well as promoting sports development; if it has assessed, of the outcome;*
- (2) *whether, before the official programme of Formula E motor racing championship was unveiled, the Government had deployed staff to discuss with the event organizer to strive for staging the championship series in Hong Kong; if so, of the progress at that time, as well as the difficulties encountered; and*
- (3) *as it has been reported that one of the reasons for the failure in the bid to stage the championship series in Hong Kong this time was that the races would impede the access of the Chief Executive and other officials to their offices as the proposed race track covered the vicinity of the Central Government Offices, of the details of the*

problem and whether it has explored the solution to the problem; if so, of the outcome?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, Hong Kong has been hosting a diverse variety of mega events, such as the Hong Kong Sevens, Hong Kong Marathon, Wine & Dine Festival and Hong Kong Dragon Boat Carnival. These mega events not only add colour and vibrancy to our city but also enrich visitors' experience. Spectacular mega events will attract visitors to make a special trip to Hong Kong, which will in turn fuel the growth of such tourism-related sectors as hotels, air transport, catering and retail in Hong Kong, and create more jobs. Moreover, mega events often attract overseas media coverage that helps burnish our image as an international metropolis and reinforce our status as the Events Capital of Asia.

As regards the proposal of hosting the Formula E Championship Car Racing Event (the event), the Tourism Commission (TC) was informed by the Hong Kong Automobile Association (HKAA) in September 2013 that the event organizer, Formula E Holdings Limited, was interested in staging the concerned car racing event in Hong Kong in November 2014. The Government supported the proposal in principle and immediately entered into discussion with the event organizer and the HKAA to examine the feasibility of staging the event in Hong Kong. However, the time frame for hosting the event in November 2014 was indeed extremely tight given the fact that the study on technical and engineering feasibility, financial arrangements and other issues has yet to be concluded. We did all we could to reach an agreement with the event organizer on the design of the racetrack and related issues within the extremely limited time but has not been successful. We will keep in close contact with the event organizer to explore actively the optimal solutions to the engineering works and other issues related to the race.

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

- (1) Hosting significant mega events could bring significant economic and publicity benefits to Hong Kong. The Formula E Championship Car Racing Event is a novel event that will be appealing to local people and visitors alike. However, owing to the

technical limitations of Formula E car racing, the event's current scale does not come close to other motor races like the Formula 1, Formula 3 or saloon car races. To date, the event organizer has yet to provide us with concrete details of the races and its associated activities such as the scale, mode of operation, financial arrangements and the number of visitors that would be attracted. As such, we are not in a position to make any realistic assessment on the actual and potential benefits these races might generate for Hong Kong at this stage. We will make reference to the experience and outcomes of the upcoming events held in other host cities.

(2) and (3)

As I mentioned just now, the TC was first informed by the HKAA in September 2013 that the event organizer was interested in staging the Formula E car racing event in Hong Kong in November 2014. The event organizer had not consulted the TC beforehand. Upon receipt of the message relayed by the HKAA, under the co-ordination of the TC, relevant departments and organization, including Transport Department, Highways Department, Hong Kong Police Force, Home Affairs Bureau and the Hong Kong Tourism Board, immediately touched based with the HKAA and the event organizer to examine the feasibility of staging the races in Hong Kong. The focus was on racetrack design, requisite road works in preparing the racetrack and the technical specifications for the safety instalments to be provided along the whole length of the racetrack.

As the events are to be held on the streets, the Fédération Internationale de l'Automobile has prescribed requirements for the racetrack in order to protect race drivers and to ensure the races' attractiveness to spectators. On the other hand, roads in Hong Kong must conform to the established technical specifications and requirements, in order to meet the over-riding objective of safeguarding the safety of road users. The event organizer's preferred race route is set along the Central harbourfront, which is the transportation node of the Hong Kong Island and carries heavy traffic. As such, we need to carefully scrutinize the design, safety requirements and works schedule of the racetrack so as to minimize the impact on drivers and the general public as far as possible. If

there would be a genuine need for the racetrack to pass by the Central Government Offices, we are prepared to provide necessary assistance as appropriate. In fact, the relevant departments have joined the event organizer to conduct a site visit to various road sections of the proposed racetrack and put forward detailed comments and suggestions on racetrack design in the light of the actual road and traffic situation of Hong Kong. The work in this respect is ongoing. We will keep in close contact with the event organizer to look into an appropriate race route.

MR MICHAEL TIEN (in Cantonese): *Deputy President, I have to praise the Secretary for maintaining the same style of response. My main question is about the reasons for failing to host the event, but all I have heard was an array of factors for consideration. After the Secretary told us the array of factors, did he say what the reason for the failure was? I did not hear that. Has the Government lost all confidence now and is no longer confident in hosting such an event; is it scared that it will make a total mess and do a disservice out of good intention and be reprimanded? Is that the mindset of the Government?*

In addition, the Secretary mentioned in his earlier reply that the authorities were informed of the proposal only in September 2013 and they had passively made an application in response. As the Secretary for Commerce and Economic Development, should he not have the vision to identify such events and strive to host them at an earlier date? Why did he have to wait to be informed by the HKAA? Should his Policy Bureau be responsible to identify the newest and the best concepts in the world and proactively contact the relevant event organizers?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, I am very grateful to Mr Michael TIEN for raising the supplementary question. In fact, we have been actively exploring what events Hong Kong can host to enhance our reputation as the Events Capital. Therefore, we have established the Mega Events Fund (MEF) which operates under a two-tier system. As regards the first tier, we have commissioned a consultant to examine which international mega events Hong Kong can seek to host. The consultant will consider the local situation and the international environment to identify suitable mega events to be held in Hong Kong. After that, we will discuss with the relevant event organizers. In addition, the

consultant will make recommendations in relation to the suitable mega events to be held in Hong Kong to the MEF Assessment Committee and the MEF Assessment Committee Secretariat will follow up.

As far as this event is concerned, the consultant has considered the feasibility of hosting it in Hong Kong, and in the review process, some studies had been conducted. After some preliminary discussions with the event organizer, the consultant identified a number of specific problems that I have mentioned in the main reply. Therefore, we needed more time for planning, particularly in relation to transport. The racetrack design requires diversions, which involve the layout of pipelines for water, electricity and gas, as well as the networks of underground optical fibre cables.

Let me give an example of the diversions involved. As the racetrack for the event has to be 10 m wide, it will take up three traffic lanes, which will affect the traffic of the Central District of Hong Kong during peak hours. Therefore, the design of the racetrack requires overall and inter-departmental co-ordination. As I have mentioned in my main reply, the Government had been actively engaging in inter-departmental co-ordination work in response to the proposal. After the Government was informed in September last year of the event organizer's plan to hold the event in September this year, we had been actively exploring the issues and had put forward suggestions and counter suggestions to the relevant parties. However, we could not reach a consensus with the event organizer in the end. Given the tight time frame, the event could not be hosted in Hong Kong. Nevertheless, we will continue to hold active discussions with the relevant parties, in the hope of hosting the event in the future when road safety requirements can be met as far as possible without affecting the public.

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

MR MICHAEL TIEN (in Cantonese): *Deputy President, the Secretary mentioned that a consultant had been commissioned. As the Secretary was informed of the event by the HKAA in September last year, what has the consultant been doing? The Secretary said that the event could not be hosted in Hong Kong because there was insufficient time, but it was not the consultant who*

informed him of the event. While the consultant has been commissioned to identify new concepts of events in the world, the Secretary was informed of the event not by the consultant, but by the HKAA. After the Secretary had been informed, the consultant even told him that there was insufficient time for preparation. In terms of the operation of the whole Government, what is the purpose of commissioning a consultant? Right from the beginning, the consultant had told the Secretary ...

DEPUTY PRESIDENT (in Cantonese): Your supplementary question is clear enough. Secretary for Commerce and Economic Development, please reply.

MR MICHAEL TIEN (in Cantonese): *Secretary, what is the purpose of commissioning a consultant?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, as regards this event, given that the roads of Hong Kong are narrow and packed with people, hosting this event may affect the public in terms of traffic. So long as there is a possibility of affecting the public, we certainly have to make detailed planning to ensure public safety and transport convenience. Therefore, as far as this matter is concerned, we had adopted an inter-departmental approach and actively made counter suggestions on the arrangements of the racetrack. However, instead of accepting the suggestions, the event organizer had decided not to stage the event in Hong Kong. Therefore, it is not that we are not willing to host the event, we only need time to explore the feasible options, so that we can hold the event without seriously affecting the public.

MR MA FUNG-KWOK (in Cantonese): *Deputy President, as I have some understanding of the matter, I can say fairly that the Government had actively responded to the situation and had made various assessments and carried out other work in response to the requirements of the event organizer. However, I would like to raise a supplementary question in relation to the Government's attitude towards hosting mega events.*

In part (1) of the main reply, the Secretary said that to date, the authorities were not in a position to make any assessment on the actual and potential benefits the event might generate for Hong Kong. I am very disappointed about such comments. The Government should in fact act proactively. Since the Financial Secretary has said that Hong Kong should seek for opportunities to host mega events, the Government should make assessment expeditiously and proactively identify suitable events. It should examine in which areas Hong Kong has the potential to host mega events and the extent of such potentials. It should then propose a list of events for consideration and proactively seek for opportunities worldwide. However, I fail to see any such efforts made by the Government in this connection. As such, can the Government give a detailed account? For example, is the consultancy report commissioned by the MEF adequate to provide the necessary data in respect of its scale, depth and coverage, and what geographical and social conditions of Hong Kong are considered by the consultant as favourable for hosting mega events, as well as which areas of work can be done more expeditiously and effectively? I think the Government should have this kind of attitude and make the relevant assessment.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr MA for raising the supplementary question, which is also a very good question.

In considering each event, the MEF will take a number of factors into account, including the impact on the economy of Hong Kong, reports by the media and promotional benefits. Therefore, as with every event and not this one alone, the impact on Hong Kong has to be assessed on the basis of the contents of the proposal. Regarding this event, while we were exploring the issues, we hoped that the event organizer could provide us with some specific information, such as the scale of the event, the mode of operation, financial arrangements and the number of visitors that would be attracted. Such information would be vital to us. As far as this event is concerned, it is the first time that the race is to be held as an international event and the race itself would only take an hour, excluding the ranking rounds and the trial runs. Therefore, we have to consider the promotional benefits that the event would bring to Hong Kong as well. The attractiveness of events often depends on the incidental activities, but to date, the event organizer has not provided the detailed information on these incidental

activities. We can only assess the economic benefit that the event will bring to Hong Kong after we have obtained the information. In the future, we will actively liaise with the event organizer with a view to enhancing the cost benefit of these mega events.

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

MR MA FUNG-KWOK (in Cantonese): *The Secretary has not answered my supplementary question. I have pointed out in my supplementary question that the Government cannot simply wait for proposals raised by others and respond to it. That is a passive approach. My question is whether the authorities have taken the initiative to ascertain, say in the area motor racing event, our favourable conditions and limitations, as well as the benefits to be brought in hosting such events. The authorities should take the initiative to make the assessment and consider which international racing events meet those requirements and hence proactively strive to host them. My question is whether the authorities have taken the initiative to conduct such studies.*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr MA for raising the supplementary question. As I mentioned just now, and pointed out by Mr MA, since we had been informed of the possibility of holding this event in Hong Kong in September, our colleagues had been exploring various issues. Such an event has never been held in Hong Kong and it is going to be the first time. Apart from exploring the issue of racetrack, our colleagues had also visited Macao which has hosted the Grand Prix 60 times and discussed with the Macau Grand Prix Committee issues including the conduct of the races, crowd control and racetrack design, so as to learn from their experience. In addition, our colleagues had conducted site visits to inspect the conditions of the road sections with visiting experts engaged by the event organizer to consider issues such as improvement road works and racetrack design. In fact, the proposed racetrack was near the Legislative Council Complex and would pass through Lung Wui Road, Legislative Council Road and Lung Wo Road. As the racetrack would pass through many deceleration zones,

it would affect the traffic and signal-controlled crossings and traffic lights had to be relocated. In connection with the works required, we had made counter suggestions. However, a consensus could not be reached within such a short period of time. We hope that with more time in the future, the issues can be further explored and resolved through inter-departmental efforts.

MR CHAN KAM-LAM (in Cantonese): *Deputy President, the Secretary agreed that the event was a novel activity in his main reply. The Secretary mentioned that according to the requirements proposed by the event organizer, the specified racetrack would pass through some main roads in the urban area. We certainly have to consider the possibility of causing inconvenience to the public and affecting normal transportation, and so on. However, road closure is needed in many mega events and even in public processions. Therefore, the Government should actively make facilitating arrangements and provide the appropriate venue so that these international events can be held in Hong Kong.*

Deputy President, I want to ask the Government, in its negotiation with the event organizers, whether it has confidence that the event can be held in Hong Kong in the future even though it cannot not be hosted in Hong Kong this year?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr CHAN for the question. We are confident and will try our best to discuss with the relevant event organizers to seek to host such an event in Hong Kong in the future.

However, as I said in my main reply, many specific and practical issues have to be resolved, for example, the event organizer requested for road-widening works in various locations to meet its requirements. As most of the racetracks should be 10 m wide, we would try to meet the requirement and our colleagues also considered that most of the works involved could be carried out. However, the event organizer requested for the removal of certain traffic or road-crossing facilities, which would violate the established requirements of our road designs and affect the safety of road users. To tackle these problems, we have to explore various options and have therefore proposed a number of counter suggestions.

Apart from works above ground, repositioning of complicated underground pipelines of water, electricity and gas, as well as networks of optical fibre cables may also be required. Unlike public rallies which can simply be dealt with by road closure, these issues may require various changes to facilities above ground and underground, traffic lights and other safety facilities. We have to conduct detailed studies on the issues and actively explore options to resolve them.

MR YIU SI-WING (in Cantonese): *Deputy President, the Secretary indicated in his earlier reply that the authorities had not actively sought to host the event in Hong Kong because of the limited time frame and insufficient information.*

I would like to ask the Secretary if he has used the available information on the event to make a comprehensive assessment on whether it is suitable to hold international motor racing events in Hong Kong, given our existing road conditions; if he has, of the results; if not, the reasons for that?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I thank Mr YIU for the question. As I mentioned in my earlier reply to Mr CHAN's question, the requirements of racetracks for each event differ. Concerning this electronic motor racing event, the relevant government departments considered that most of the requirements of the event organizer could be fulfilled. This is probably due to the slow speed of electronic vehicles, as they have to be recharged because of the limitations of their design. However, as I mentioned earlier, we have to further explore a number of technical issues, for example, repositioning of traffic and underground facilities. Hong Kong is an attractive choice to the event organizer. Why would the event organizer like to hold the event in the Central District of Hong Kong? The reasons are the panoramic view of the Victoria Harbour and a sufficiently large crowd of spectators. Therefore, Hong Kong surely has its attractiveness. If we can resolve the technical problems, I believe we can attract more mega events to be held in Hong Kong.

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

WRITTEN ANSWERS TO QUESTIONS**Abduction and Human Trafficking Crimes**

7. **MR DENNIS KWOK** (in Chinese): *President, regarding the crimes of abduction and human trafficking, will the Government inform this Council:*

- (1) *of the number of reported cases involving abduction and human trafficking crimes in the past five years; among such cases, the respective numbers of those in which the victims were children and those which have been detected; and*
- (2) *whether the police have set up a dedicated team to investigate such cases; if they have, of the establishment of the team; if they have not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, child abduction and human trafficking are serious offences. Under section 43 of the Offences Against the Person Ordinance (Cap. 212, Laws of Hong Kong) concerning "stealing child under 14 years", any person who unlawfully, by any means, leads or takes away, or decoys or entices away, or detains any child under the age of 14 years, with intent to deprive any parent, guardian, or other person having the lawful care or charge of such child of the possession of such child shall be guilty of an offence triable upon indictment, and shall be liable to imprisonment for seven years.

The SAR Government combats human trafficking-related offences by means of various laws, including section 129 of the Crimes Ordinance (Cap. 200, Laws of Hong Kong) under which a person who takes part in bringing another person into, or taking another person out of, Hong Kong for the purpose of prostitution shall be guilty of an offence and shall be liable on conviction on indictment to imprisonment for 10 years.

A total of five reports of suspected child abduction involving five children under 14 were received by the police between 2008 and 2012. All the children were eventually found. Of these five cases, two of which involved children taken away by their mothers, one of which involved a boy leaving boys' home with his friend without permission, and the remaining two involved strangers.

In the two cases which involved strangers, the purposes of committing crimes were not stealing children, one of which was related to indecent assault, and the other case was related to a man who took away a girl for a DNA test in order to show his extramarital girlfriend that his daughter was not his own.

On another front, a total of 14 human trafficking cases in relation to section 129 of the Crimes Ordinance (Cap. 200) were received by the police between 2008 and 2012. All were connected with prostitution activities, and one of such cases involved two females under 18. These cases had all been detected.

The police shall, in accordance with the nature and seriousness of individual child abduction and human trafficking cases, direct such cases to appropriate crime units, such as Crime Squads or Organized Crime and Triad Bureau, for follow up.

Improving Facilities at Public Transport Interchanges

8. **MR WONG KWOK-HING** (in Chinese): *President, some members of the public and members of the transport industry have complained to me that quite a number of semi-confined public transport interchanges (PTIs) mainly for use by franchised buses have outdated designs. For instance, at the PTIs, the illumination was insufficient, pedestrian crossings were narrow, the road signs were unclear, barrier-free facilities were inadequate, and the ventilation was poor, resulting in passengers having to wait to board in PTIs with stuffy and polluted air. In this connection, will the Government inform this Council:*

- (1) *in respect of the various PTIs at present, of (i) their locations, (ii) their years of commissioning, (iii) the numbers of bus routes that can be accommodated there, (iv) the maximum numbers of waiting passengers that can be accommodated there, and (v) the numbers of complaints received last year and their contents, with a breakdown by name of PTI set out in a table;*
- (2) *of the respective design standards for the illumination level, the width of pedestrian crossing facilities (including pedestrian crossings between bus bays) and traffic signs of the PTIs;*

- (3) *whether it has updated the design standards and guidelines regarding the ventilation systems of PTIs in the recent three years; if so, of the details; if not, the reasons for that; whether the authorities have regularly monitored the air quality of various PTIs, so as to safeguard the health of passengers waiting to board; and*
- (4) *whether it will invite members of the transport industry and other relevant stakeholders (including bus companies, bus drivers, trade unions of the transport industry and passenger representatives) to participate in a comprehensive review of the designs of PTIs, and formulate improvement plans and work schedule; if so, of the details; if not, whether the authorities will consider conducting studies on improvement plans, so as to safeguard the health and safety of passengers waiting to board and bus drivers using PTIs?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, currently, there are 59 Government-owned covered PTIs in Hong Kong, facilitating passengers in interchanging between different modes of public transport. Our reply to the various parts of Mr WONG Kwok-hing's question is as follows:

- (1) The location of the Government-owned covered PTIs, the year in which they were opened, the number of bus/green minibus (GMB) routes using these PTIs, as well as the number and nature of complaints concerning the PTIs received last year are at Annex.

The number of passengers waiting at a PTI is constantly affected by many factors such as the service frequency of different routes and boarding/alighting time of passengers. Even if a queue is formed, it will very often be shortened rapidly once the bus or GMB arrives. Therefore, the Transport Department (TD) does not set a ceiling for the number of waiting passengers. In any event, no complaint on over-crowding at PTIs was received from passengers last year.

- (2) In normal circumstances, the minimum illumination level should be 120 Lux⁽¹⁾ for a covered PTI and 150 Lux for one at a commercial

(1) "Lux" is the international unit for measuring illuminance. The typical household illuminance is approximately 100 lux.

complex or connecting a railway station with heavy pedestrian flow. Such standards have struck a balance between passenger need and energy saving, and are comparable to those adopted for similar facilities at some neighbouring economies (such as the Mainland, Taiwan and Singapore). Currently, the illumination level at all covered PTIs meet these standards.

As far as pedestrian crossing facilities at PTIs are concerned, the Government would base on the current planning and design standards consider adopting peripheral saw-tooth design for platforms at new PTIs as far as possible, taking into account the location, traffic flow direction, arrangement of bus routes, and so on, of the PTI concerned. Such platform design will facilitate passengers to board/alight without having to cross the carriageways and other boarding platforms. As for the traditional bus platforms with parallel boarding bays, pedestrian crossing path marked with 1.5-metre-wide yellow strips together with refuges will be provided. In addition, alternate black-and-white-striped markings will be painted at both ends of the boarding platforms for easier identification by the road users.

All the traffic signs and road markings used at PTIs have to be installed in compliance with the requirements as stipulated in the Road Traffic Ordinance (Cap. 374) and its regulations.

Separately, the Government strives to provide barrier-free access facilities at PTIs to assist pedestrians and persons in need to access boarding platforms. These facilities include tactile guide paths, tactile warning strips, dropped kerbs, access ramps, reserved waiting areas for persons with disabilities on boarding platforms and pedestrian crossing paths for accessing boarding platforms. As at end 2013, these facilities were provided at 58 PTIs. The remaining one PTI will be retrofitted with these facilities within this year.

- (3) The Environmental Protection Department issued the Practice Note on "Control of Air Pollution in Semi-confined Public Transport Interchanges" in 1998 for reference by professionals and government departments. The Practice Note is subject to review from time to time and is still valid. It provides guidance on the design,

ventilation system, operation, maintenance and air quality (including the maximum concentration of carbon monoxide, nitrogen dioxide and sulphur dioxide) of semi-confined PTIs. The Government has been setting the specific requirements on the engineering design of the ventilation system, operation and maintenance of PTIs in accordance with the Practice Note and the actual situation of individual PTIs. Meanwhile, the Electrical and Mechanical Services Department conducts air quality measurement at Government-owned covered PTIs on a regular basis and makes the necessary improvements.

- (4) The Government strives to improve the waiting environment at PTIs and would implement appropriate improvement measures. Between 2010 and October 2013, the Government completed works to enhance the waiting environment and facilities at more than 40 PTIs. The works mainly involve improvements to the lighting system, ventilation system and barrier-free access facilities. Besides, the TD communicates with members of the transport trades and other stakeholders (including bus/GMB operators, the taxi and public light bus trades, bus captain unions, District Councils, urban design professional bodies and persons with disabilities groups) from time to time to exchange views on the daily operational arrangement, design and facilities of covered PTIs. Appropriate improvement measures will be implemented where practicable.

Annex

Information on Government-owned Covered PTIs

District			Name/Location	Year of Commissioning	No. of Bays	No. of Bus Routes using the PTI	No. of Green Minibus Routes using the PTI	No. of Complaint(s) (From January 2013 to November 2013)	Nature of complaint(s) (If applicable)
1	Hong Kong Island	Central and Western	Admiralty Station (East) Bus Terminus	1980	4	14	0	0	
2			Central (Exchange Square) Bus Terminus	1985	22	33	3	0	
3			Central (Hong Kong Station) PTI	2003	7	3	5	0	
4			The Peak Public Transport Terminus	1992	4	2	1	0	

District		Name/Location	Year of Commissioning	No. of Bays	No. of Bus Routes using the PTI	No. of Green Minibus Routes using the PTI	No. of Complaint(s) (From January 2013 to November 2013)	Nature of complaint(s) (If applicable)		
5		Eastern	Sai Wan Ho (Grand Promenade) PTI	2006	7	4	1	0		
6			Siu Sai Wan (Island Resort) PTI	2001	14	25	2	2	Insufficient ventilation and poor illumination	
7			Shau Kei Wan Station PTI	1989	3	0	1	0		
8			Tin Hau Station PTI	1989	5	10	2	0		
9		Southern	South Horizons PTI	1995	5	9	1	1	Insufficient ventilation	
10			Cyberport PTI	2002	5	6	5	0		
11			Shum Wan Road Public Transport Terminus	2002	5	7	4	0		
12		Kowloon	Kowloon City	Laguna Verde PTI	1998	2	3	3	0	
13				Whampoa Garden PTI	1990	8	11	4	0	
14				Kowloon Tong (Suffolk Road) PTI	2006	10	5	5	0	
15			Kwun Tong	Kowloon Bay PTI	1993	4	1	3	0	
16	Laguna City PTI			1993	4	3	2	0		
17	Lam Tin Station PTI			1990	12	29	3	4	Insufficient ventilation, poor illumination, insufficient barrier-free access facilities and cleanliness	
18	Ping Shek PTI			2006	9	21	7	0		
19	Sham Shui Po		Cheung Sha Wan Plaza PTI	1992	6	8	1	0		
20			Kowloon Tong (Festival Walk) PTI	1998	10	3	7	0		
21			Yen Chow Street PTI	1995	7	2	0	0		
22			Kau Wa Keng PTI	2000	6	6	0	0		
23	Wong Tai Sin		Diamond Hill MTR Station PTI	1997	13	16	6	2	Insufficient ventilation	
24	Yau Tsim Mong		Island Harbourview PTI	1999	18	4	4	0		
25			Kowloon Station PTI	1998	11	10	4	2	Insufficient ventilation	
26			Olympic Station PTI	1998	11	9	0	0		
27			Park Avenue PTI	2001	10	7	3	0		
28			Tsim Sha Tsui East Bus Terminus	1995	7	7	0	0		
29			Tsim Sha Tsui East (Mody Road) Bus Terminus	2007	4	13	0	0		
30			Langham Place Public Light Bus Terminus*	2004	6	0	0	0		
31	New Territories	Sha Tin	Bayshore Towers PTI	1996	3	0	5	0		
32			Ma On Shan Town Centre Public Transport Terminus	1995	9	15	0	0		

	<i>District</i>	<i>Name/Location</i>	<i>Year of Commissioning</i>	<i>No. of Bays</i>	<i>No. of Bus Routes using the PTI</i>	<i>No. of Green Minibus Routes using the PTI</i>	<i>No. of Complaint(s) (From January 2013 to November 2013)</i>	<i>Nature of complaint(s) (If applicable)</i>
33		Sha Tin Central Bus Terminus	1984	5	29	0	1	Poor illumination and insufficient pedestrian crossing
34		Tai Wai Station PTI	2005	21	9	6	0	
35		Wu Kai Sha Station PTI	2004	11	6	2	0	
36	Sai Kung	Hang Hau Station PTI	2002	4	5	6	0	
37		Po Lam PTI	1987	5	12	6	0	
38		Tiu Keng Leng Station PTI	2002	9	8	1	1	Insufficient ventilation
39		Tseung Kwan O Station PTI	2002	9	6	3	0	
40	Tai Po	Tai Po Market Station Bus Terminus	1990	4	12	0	0	
41	Northern	Luen Wo Hui Public Transport Terminus	2001	7	10	0	0	
42		Sheung Shui Bus Terminus	1995	6	18	0	0	
43	Tuen Mun	Lung Mun Oasis Bus Terminus	1998	5	11	1	0	
44		Sam Shing Bus Terminus	1992	6	6	2	0	
45		Tuen Mun Central Bus Station	1986	6	10	0	0	
46		Tuen Mun Pier Head Bus Terminus	1988	6	7	0	0	
47		Tuen Mun Station PTI	2010	27	11	11	0	
48	Tsuen Wan	Bayview Garden Bus Terminus	1992	4	6	0	0	
49		Discovery Park PTI	1998	5	7	0	0	
50		Nina Tower Bus Terminus	2000	10	5	5	0	
51		Sai Lau Kok PTI	1982	2	0	2	0	
52		Tsuen Wan Station PTI	1982	7	9	0	0	
53		Tsuen Wan West Station PTI	2003	12	17	2	0	
54		Vision City Public Light Bus Terminus*	2008	3	0	0	0	
55	Yuen Long	Tin Shui Wai Town Centre PTI	2011	10	14	0	0	
56		Yuen Long Station (North) PTI	2003	10	2	16	0	
57	Islands	Tung Chung Station Bus Terminus	1997	7	18	0	1	Slippery driveway
58	Kwai Tsing	Kwai Fong Station Bus Terminus	1982	8	19	3	2	Pedestrian crossing blocked
59		Kwai Hing Station Bus Terminus	1982	7	10	6	1	Narrow pedestrian crossing

Note:

* Terminus for red public light buses

Road Safety Involving Crane Lorries

9. **IR DR LO WAI-KWOK** (in Chinese): *President, it has been reported that on 14 September of last year, the crane of a crane lorry in motion hit a directional sign which was 6 m above the ground, paralysing the traffic for more than two hours, and less than a month later, the crane of another crane lorry running on the road snapped two overhead cables of the Light Rail Transit System, causing disruption of the Light Rail service for several hours. Regarding road safety involving crane lorries, will the Government inform this Council:*

- (1) of the number of traffic accidents in the past five years involving crane lorries the cranes of which had not been folded properly and the resultant casualties;*
- (2) whether it will tighten the safety measures for regulating crane lorries running on the road; if it will, of the details; if not, the reasons for that; and*
- (3) as some members of the engineering sector have pointed out that fitting warning flashers on crane lorries to remind drivers and crane operators to pay attention to the height of the crane may reduce accidents, whether the authorities have considered requiring that all crane lorries be fitted with such safety device; if they have, of the details and the implementation timetable; 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 Ir Dr LO Wai-kwok is as follows:*

- (1) According to the record of the Transport Department (TD), in the past five years (from January 2008 to November 2013), there was only one minor traffic accident involving crane lorries while in operation, causing minor injury to one person. The TD does not maintain the record of traffic accidents not involving casualties.*

(2) and (3)

Appropriate regulations are already in place to ensure the safety requirements for crane lorries running on roads. All commercial vehicles (including crane lorries) running on roads must undergo and pass the vehicle examination prior to the first registration of the vehicles and annually thereafter in order to ensure that the vehicles are roadworthy and only on-board mobile industrial equipment is securely installed. It is also stipulated under regulation 6 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) that the overall height of a crane lorry when running on roads (including the load and equipment it carries) must not exceed 4.6 m. In addition, crane operators of crane lorries must comply with the training and qualification requirements as stipulated under the Factories and Industrial Undertakings Ordinance (Cap. 59). After lifting operation, crane operators should fold the crane to avoid exceeding the height limit of 4.6 m.

If a crane lorry owner needs to install warning flash lamps for his crane operation, he can apply to TD which may, upon receipt of his application, permit one or more warning flash lamps showing amber light to be installed on his vehicle in accordance with regulation 111 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A).

Regarding enforcement actions, regulation 58 of the Road Traffic (Traffic Control) Regulations (Cap. 374G) provides that the driver of a motor vehicle on a road shall ensure that the motor vehicle, all its parts and accessories, and its load shall be such that no danger is caused or is likely to be caused to any person; or no damage is caused or is likely to be caused to a road or to public or private property. Otherwise, he commits an offence and is liable to a fine of \$5,000 and imprisonment for three months on first conviction. Regarding the two cases mentioned in the question, the police have already completed investigation on the first case happened in September 2013 and will prosecute the driver concerned. As for the case happened in October 2013, police investigation is still underway.

Moreover, the TD will remind crane lorry owners, drivers and crane operators to take greater heed of and observe the safety regulations on the use of lorries through publicity and education. The TD regularly meets with the goods vehicle trade and issues the "Goods Vehicle Trade Newsletter" from time to time to promulgate messages on the safe operation of crane lorries and safe use of cranes.

Given that appropriate safety measures to regulate crane lorries running on roads have already been in place and that TD communicates with the trade via publicity and education, the Government has no plan to tighten the safety measures for crane lorries running on roads but will continue to monitor the situation.

Commercial Leasing Procedures of Airport Authority Hong Kong

10. **MR RONNY TONG** (in Chinese): *President, it has been reported that in awarding the leases of two flagship retail shops in East Hall, SkyMart in the restricted area of the passenger terminal building, the Chief Executive Officer (CEO) of the Airport Authority Hong Kong (AA) exercised discretion not to follow the principle of awarding the contracts to bidders offering the highest bids, resulting in AA suffering substantial rental loss. In addition, a group of middle-level management staff of AA have complained to me, alleging that AA has not actively followed up the aforesaid incident so far. In this connection, will the Government inform this Council if it knows:*

- (1) *whether the CEO of AA altered the tender assessment criteria and the weightings concerned (assessment method) in the aforesaid lease tendering exercise; if he did, (i) of the reasons and details for that, (ii) the differences in the assessment methods before and after the alteration, (iii) whether such alteration violated the relevant guidelines issued by the Independent Commission Against Corruption; if so, whether the authorities will take further follow-up actions; if not, the justifications for that, and (iv) whether AA has evaluated the rental loss due to the alteration in the assessment method;*

- (2) *whether AA has set up an independent investigation committee to follow up the aforesaid incident; if not, of the reasons for that; if AA has, of the details, and whether any person has been found to have violated the rules; if violations have been found, whether the authorities have taken follow-up actions; and*
- (3) *whether AA will consider reviewing the assessment method for lease tendering exercises; if so, of the details; 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 Ronny TONG is as follows:

The Airport Authority (AA) follows a set of established procedures to handle the tendering of retail shop licences. The Retail and Advertising Department is responsible for the tendering of retail shops. Throughout the whole process from planning of tendering to the award of licences, relevant departments will deliberate and report to internal committees in the AA, and final decisions are not made by any single individual. Generally speaking, during the tender vetting process, apart from considering factors such as the tenderers' background, brand, sales performance, industry experience, business concept and licence revenue, the AA also takes into consideration trade mix at the airport, in order to meet the different needs of travellers. The AA will adjust its business strategies as appropriate to cater for the changing market trend and travellers' demand.

In the tender award process of the Icon Shops, after vetting the tenders received, AA included tenderers' product category and the rental terms of their existing shops in the airport as evaluation criteria. This is to cater for market trends, strike a good balance in trade mix, and optimize revenue for the airport. A final decision was reached after discussion at the internal committee chaired by the CEO of the AA. AA management considered that the decision would bring the greatest overall benefits to the airport.

Tender documents for the Icon Shops stipulated that in tender evaluation, the weighting of financial return accounted for 60%, while non-financial factors accounted for 40%. Tenderers were required to propose a minimum guaranteed rental and a percentage share of business turnover. The successful tenderers

were required to pay whichever was higher to AA as the licence fee. The abovementioned weighting ratio (that is, 60% on financial return and 40% on non-financial factors) remained unchanged throughout the whole tendering and evaluation process.

In terms of business strategy, AA has to take into account the trade mix and rental conditions. However, there were shortcomings found in this concerned tender process. The Internal Audit Department of the AA has conducted an independent review into the tender award process of the Icon Shops. The review pointed out that there were deficiencies in AA's pre-tender planning work, which gave rise to the need for adjusting the evaluation criteria after vetting the tenders received. The Internal Audit Department reported its findings to the AA Board and the Audit Committee and Finance Committee (ACFC) under the AA Board in May last year. The AA Board and ACFC endorsed the concerned review findings and have requested AA management to review and improve the established procedures and specify various key evaluation criteria in the early stage of tender preparation. This is for avoidance of the need to exercise discretion allowed under the tendering procedures to adjust the evaluation criteria after tenders were received in order to protect AA's commercial interests. AA Board has also requested AA management to further strengthen internal controls and corporate governance, and enhance the organization's compliance culture.

The AA Board has taken the inadequacies identified in the tendering process for the Icon Shops very seriously, and has criticized AA management for not handling the process satisfactorily. AA Board engaged two independent consulting firms to have full review of various aspects of tendering procedures of AA in 2012. With the substantial completion of the reviews, AA has implemented measures to improve the clarity and integrity of the whole tendering process. For instance, representatives from departments other than the Retail and Advertising Department will be involved in tender evaluation process as reviewers to enhance the independence and professionalism of the process. Guidelines are strengthened to ensure that tender evaluation work complies with the improved procedures. Besides, AA management will also enhance staff's understanding of internal controls and corporate governance through training.

Use of Banquet Room in Headquarters Building of ICAC

11. **MS CYD HO** (in Chinese): *President, it is learnt that the headquarters building of the Independent Commission Against Corruption (ICAC) is fitted with*

a small banquet room for use by the Commissioner and other senior officers of ICAC to entertain guests. In this connection, will the Government inform this Council:

- (1) of the lowest rank of the ICAC officers who are authorized to use the banquet room to entertain guests, the criteria for using the banquet room, as well as the criteria for such officers to decide whether the banquet room or a restaurant should be used to entertain guests; whether the ceilings for the expenditure per person on luncheon and dinner held in the banquet room are set in accordance with the Government's internal guidelines for official entertainment; if not, of the reasons for that and the ceilings for expenditure per person;*
- (2) whether all catering services for banquets held in the banquet room are provided only by the contractors; whether there were cases between 1 July 2007 and 30 June 2012 in which food was bought and/or cooked for banquets by persons other than the contractors, or those in which the contractors outsourced any job during such period; if there were such cases, of the method by which ICAC paid for the food and remunerations of such people, and the reasons for requiring persons other than the contractors to take charge of the food to be provided at the banquets; and*
- (3) of the number of occasions on which the banquet room was used for entertainment purpose during the period mentioned in part (2) and, in respect of each occasion, of the (i) date, (ii) number of guests in attendance, (iii) organizations for which the guests worked, (iv) job titles of the guests, (v) number of ICAC officers in attendance, (vi) job titles of ICAC officers in attendance, (vii) expenses on food, (viii) expenses on beverages, (ix) fees (set out separately the amount of payment made in cash, as well as each of the modes and amounts of non-cash payments made) paid to persons other than the contractors for purchasing and/or cooking food (if applicable), and (x) details of the arrangement and the amount involved for each payment if ICAC made payment through its contractors to the catering service providers engaged by ICAC or its guests (if applicable)?*

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, the following are replies of the Commissioner of the ICAC to all parts of the question:

- (1) There is a room in the ICAC staff mess where ICAC officers can hold official entertainment functions. This room forms part of the staff mess and can be used by ICAC officers of all ranks. Given the limited size of the room, when necessary, officers also hold official entertainment at the common eating area of the staff mess (that is, the area outside the room). The ICAC does not have any mandatory requirements on the choice of venue for official entertainment. Officers can make appropriate arrangements taking into account individual circumstances, such as the availability of the staff mess, whether the venue is convenient to the guests, and so on. In case the entertainment is related to an event (for instance, an education and publicity programme on corruption prevention), a venue close to the event location may be considered.

The ICAC follows government rules in respect of the ceilings of entertainment expenses per head (inclusive of beverages and all other related expenses), that is, currently \$350 for lunch and \$450 for dinner. Prior and exceptional approval must be obtained from the Commissioner if the entertainment expenses exceed the above limits.

- (2) and (3)

The catering service of official entertainment functions held in the aforesaid room of the staff mess is generally provided by the contract caterer of the ICAC staff mess. Reservation for the room and arrangement for the catering services must be made with the contract caterer direct. Since the ICAC does not keep specific record in

relation to official entertainment held in the aforesaid room, the relevant detailed information is not available.

Restrictions Imposed on Drivers of Mainland Commercial Vehicles While Driving Such Vehicles in Hong Kong

12. **MR POON SIU-PING** (in Chinese): *President, I have recently received complaints alleging that some Mainland drivers of cross-boundary vehicles are suspected of violating the relevant regulations by providing passenger-carrying service in Hong Kong, thus affecting the work opportunities and livelihood of local drivers. In this connection, will the Government inform this Council:*

- (1) *of the number of Mainland commercial vehicles issued with a licence to run on the roads in Hong Kong at present; the number of Mainland commercial vehicles entering Hong Kong as well as the number of trips involved in each of the past three years; and*
- (2) *of the restrictions currently imposed on drivers of Mainland commercial vehicles when driving such vehicles in Hong Kong, apart from those stipulated in the Road Traffic Ordinance (Cap. 374) and its subsidiary legislation; the measures taken by the Government for monitoring whether such drivers have violated such restrictions; whether any such driver was prosecuted in the past three years for violating such restrictions; if so, of the number of prosecutions instituted and the penalty generally imposed in respect of each restriction; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): *President, currently, Mainland cross-boundary commercial vehicles travelling between Guangdong and Hong Kong comprise Mainland cross-boundary goods vehicles and Mainland cross-boundary coaches only. Under the existing mechanism, Mainland cross-boundary goods vehicles and coaches which have been granted quotas for Hong Kong-Guangdong travels must obtain Approval Notice issued by the Vehicle Control Office of the Guangdong Public Security Bureau (commonly known as Mainland Approval Notice). Such vehicles can travel between Hong Kong and Guangdong only after they have completed the relevant vehicle*

registration and licence requirements with the Transport Department (TD) and have been issued closed road permits (CRPs) for cross-boundary vehicles.

Our reply to the various parts of Mr POON Siu-ping's question is as follows:

- (1) As at end 2013, the number of Mainland cross-boundary goods vehicles and coaches granted quotas and holding valid CRPs was about 900. According to the records of the Immigration Department (ImmD) and the Customs and Excise Department, the number of trips to and from Hong Kong made by all cross-boundary commercial vehicles (including approximately 15 800 Hong Kong vehicles and 900 Mainland vehicles) in the past three years is tabulated below:

<i>Year</i>	<i>Trips made by cross-boundary vehicles (million)</i>
2011	9.1
2012	8.9
2013 (as at 30 November)	8.1

The Administration has not maintained any breakdown of the number of trips to and from Hong Kong made by Hong Kong and Mainland cross-boundary commercial vehicles.

- (2) All vehicles running on the roads in Hong Kong, including Mainland cross-boundary commercial vehicles, are regulated by the Road Traffic Ordinance (Cap. 374) and its subsidiary legislation. Moreover, under the agreement between the Governments of Guangdong and Hong Kong Special Administration Region, drivers of Mainland cross-boundary commercial vehicles can only drive the vehicle specified on the Mainland Approval Notice. The TD also requires that a cross-boundary vehicle holding a valid CRP can only be driven by the driver specified. The vehicle and driver concerned should not get involved in any illegal activities, otherwise, the TD will consider revoking the respective CRP. In the past three years, no CRP of Mainland cross-boundary commercial vehicle was revoked by TD on grounds of involvement in illegal activities of the vehicle and the specified driver.

In addition, when driving a Mainland cross-boundary commercial vehicle as specified on the Mainland Approval Notice across the boundary, the driver must hold an entry/exit permit with appropriate endorsement issued by the Mainland public security authorities. Having verified the driver's compliance with immigration requirements by ImmD officers at control points, the ImmD will generally allow the driver to enter Hong Kong as a visitor. In accordance with the Immigration Ordinance (Cap. 115), visitors are not allowed to take up any employment, whether paid or unpaid, without the permission of the Director of Immigration. Offenders are liable on conviction to a maximum fine of HK\$50,000 and up to two years' imprisonment. The ImmD, in collaboration with the police and Labour Department, conducts anti-illegal employment operations from time to time. The ImmD has not maintained any breakdown by occupation of the number of Mainland visitors who took up illegal employment in Hong Kong.

Manpower of Buildings Department for Performing Frontline Duties

13. **MR CHAN HAN-PAN** (in Chinese): *President, some staff members of the Buildings Department (BD) have said that the Government has introduced a number of new policy initiatives in recent years in respect of building management and maintenance (including the Mandatory Building Inspection Scheme and Mandatory Windows Inspection Scheme, Validation Scheme for unauthorized signboards, Minor Works Control System, and so on) and has also stepped up the inspection of old buildings across the territory and expedited the removal of unauthorized building works. However, the BD, which is responsible for undertaking the tasks, has not increased the number of its frontline staff accordingly, thus putting tremendous work pressure on the staff concerned. It has been reported that the frontline staff of the BD held an assembly and went on a symbolic strike for 1.5 hours some time ago to demand the Department to expand the staff establishment and improve staff benefits. In this connection, will the Government inform this Council:*

- (1) *of the (i) numbers, (ii) notional annual mid-point salaries (NAMS), (iii) fringe benefits, and (iv) scope of duties of frontline BD staff (including Structural Engineers, Building Surveyors, Survey*

Officers/Technical Officers, Building Safety Assistants, Building Safety Officers, clerical staff and drivers) undertaking the aforesaid tasks in each of the past five years (set out in tables of the same format as Table 1, broken down by whether the staff member was (a) a civil servant, or (b) a non-civil service contract (NCSC) staff);

Table 1 (Year)

<i>Grade</i>		<i>Number</i>	<i>NAMS</i>	<i>Fringe benefits</i>	<i>Scope of duties</i>
<i>Structural Engineer</i>	<i>a</i>				
	<i>b</i>				
<i>Building Surveyor</i>	<i>a</i>				
	<i>b</i>				
<i>Survey Officer/ Technical Officer</i>	<i>a</i>				
	<i>b</i>				
<i>Building Safety Assistant</i>	<i>a</i>				
	<i>b</i>				
<i>Building Safety Officer</i>	<i>a</i>				
	<i>b</i>				
<i>Clerical staff</i>	<i>a</i>				
	<i>b</i>				
<i>Driver</i>	<i>a</i>				
	<i>b</i>				

- (2) *of the numbers of (i) new recruits, (ii) departed staff of the grades mentioned in part (1), in each of the past five years (broken down by whether the staff member was (a) a civil servant or (b) a NCSC staff), and (iii) NCSC staff appointed as civil servants (set out in tables of the same format as Table 2);*

Table 2 (Year)

<i>Grade</i>		<i>Number of new recruits</i>	<i>Number of departed staff</i>	<i>Number of NCSC staff appointed as civil servants</i>
<i>Structural Engineer</i>	<i>a</i>			
	<i>b</i>			

<i>Grade</i>		<i>Number of new recruits</i>	<i>Number of departed staff</i>	<i>Number of NCSC staff appointed as civil servants</i>
<i>Building Surveyor</i>	<i>a</i>			
	<i>b</i>			
<i>Survey Officer/ Technical Officer</i>	<i>a</i>			
	<i>b</i>			
<i>Building Safety Assistant</i>	<i>a</i>			
	<i>b</i>			
<i>Building Safety Officer</i>	<i>a</i>			
	<i>b</i>			
<i>Clerical staff</i>	<i>a</i>			
	<i>b</i>			
<i>Driver</i>	<i>a</i>			
	<i>b</i>			

- (3) *whether the BD has adopted any mechanism or criteria for projecting the relevant manpower requirement when introducing new policy initiatives; if so, of the details; if not, the reasons for that;*
- (4) *as the BD's drivers have relayed to me that some of them have to take public transport to perform miscellaneous tasks, for example, dispatch of documents owing to the inadequacy of government vehicles under the Department, of the number of vehicles under the BD at present, as well as the number of rides on public transport taken by the BD's drivers in performing miscellaneous tasks last year; and*
- (5) *whether, in the light of the recent labour dispute, the BD will adopt improvement measures accordingly (for example, whether it will increase the opportunities for its NCSC staff to be appointed as civil servants and improve the fringe benefits and terms of employment of NCSC staff); if the BD will, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, in recent years, the BD has done a lot of work in enhancing building safety, and has since April 2011 started to adopt a multi-pronged approach to enhance building safety through various measures, including legislation, enforcement, support to owners, as well as publicity and public education. To complement the implementation of measures to enhance building safety, the BD has been bidding for additional resources in accordance with the Government established procedures, and has been reviewing from time to time its workflow and work priorities, in order to attain higher work efficiency on the premise of maintaining the safety of buildings.

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

- (1) The (i) numbers, (ii) NAMS, (iii) fringe benefits, and (iv) scope of duties of the BD's Structural Engineers, Building Surveyors, Survey Officers, Technical Officers, Building Safety Assistants, Building Safety Officers, clerical grades staff and motor drivers in each of the past five years are set out in Annex 1.
- (2) Of the grades mentioned in part (1) above, the numbers of (i) new recruits, (ii) departed staff, and (iii) NCSC staff appointed as civil servants in each of the past five years are set out in Annex 2.
- (3) The BD attaches great importance to the manpower and management of the department. It conducts reviews on these aspects from time to time to ensure that the policies and resources are compatible as far as possible having regard to the practical needs so as to cope with the society's demands for relevant services and the department's operational needs.

In support of the work in enhancing the building safety of Hong Kong, the BD has been bidding for additional resources in accordance with the established procedures in the Government. In the past three financial years (that is, from 2011-2012 to 2013-2014), 323 additional civil service posts have been created in the BD, including two directorate and 321 non-directorate posts. The 321 non-directorate posts comprised 123 professional posts, 95 technical posts and 103 general grades posts. The BD's establishment increased from 996 on 1 April 2011 to 1 319 on 1 November 2013,

representing an increase of 32%. There was also an increase of over 30% in the establishment of the professional and technical grades during the same period. The number of civil service posts of the two technical grades (that is, the Survey Officer and Technical Officer grades) in the BD increased from 308 to 403, and the number of civil service posts of the two professional grades (that is, the Building Surveyor and Structural Engineer grades) rose from 374 to 499. In the next financial year (that is, 2014-2015), about 190 civil service posts comprising professional and technical posts as well as other supporting staff posts will be further created in the BD to enhance the delivery of the series of measures on building safety.

- (4) According to the BD, there are 31 government vehicles in the department at present. The duty of the BD's motor drivers is to drive vehicles and therefore they are not required to take public transportation to perform duties or other miscellaneous tasks.
- (5) The BD has been maintaining close communication with its staff to understand their work situation and needs. In fact, in response to the suggestions made by frontline staff, the department has implemented a series of measures to improve work efficiency, including rearranging the work priorities and streamlining work procedures, suitably adjusting and setting work targets, as well as strengthening communication channels with frontline staff. The BD will continue to bid for additional resources on a need basis, and will also seek to convert some NCSC posts into civil service posts as necessary in its review on the manpower resources.

It is the objective of the Government's civil service appointment policy to appoint the best person for the job, and recruitment is based on the principle of open and fair competition. As such, NCSC staff are required to apply for civil service posts in the Government along with other applicants. For applicants who are NCSC staff, the BD will, in the selection process, take into account their seniority and experience within the department as one of the considerations.

As regards remuneration and fringe benefits, according to the current government policy, the departments concerned have to follow relevant guidelines in the recruitment of NCSC staff, including the

formulation of an overall package of terms and conditions of employment, recruitment procedures and arrangements for termination of individual contracts. When formulating the details of both the employment terms and the overall remuneration package, the BD has taken all relevant factors into account, and will from time to time review and make adjustments to the remuneration and employment terms of the NCSC staff. In 2013, the BD has adjusted upward the remuneration of the NCSC staff in January and August respectively.

Annex 1

Figures as at 31 March 2013

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Structural Engineers	a	141	\$824,820	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance (Cap. 123) and relevant legislation, and so on, including: (a) To process structural plans, applications for consent to commencement of works, certificates of completion of works and applications for licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	49	\$545,424	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works;

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
				<p>(c) To administer the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme⁽³⁾.</p> <p>(d) To specify the required structural works for fire safety improvement of existing buildings; and</p> <p>(e) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.</p>	
Building Surveyors	a	190	\$788,340	<p>Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.</p>	<p>To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:</p> <p>(a) To process buildings plans, applications for consent to commencement of works, certificates of completion of works, applications for occupation permits and licences/registrations; and to carry out site audit checks on building works in progress and minor works;</p> <p>(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works;</p>
	b	66	\$498,894	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p>	

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				<p>(c) To administer the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme⁽³⁾.</p> <p>(d) To evaluate the fire safety provisions of existing buildings and specify the required fire safety improvement works; and</p> <p>(e) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.</p>
Survey Officers	a	183	\$296,580	<p>Fringe benefits include paid leave, medical and dental benefits, and where appropriate, assistance in housing.</p>
	b	45	\$198,210	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p> <p>(a) To assist in checking building plans and inspecting building works including minor works and drainage works of private developments and licensed premises;</p> <p>(b) To assist in carrying out inspection of buildings and slopes, surveying defects, repair works and unauthorized building works, arranging issuance of statutory orders/notices/directions, and supervising works, including works in emergency cases, carried out by the government contractors;</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				(c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on matters relating to building safety, Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ .
Technical Officers	a	93	\$296,580	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.
	b	38	\$198,210	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted. To assist the Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking structural design and details, test reports and construction records, and in witnessing and carrying out of tests on foundation and structural elements; (b) To assist in carrying out inspection of buildings and slopes, surveying defects, minor works and unauthorized building works, arranging issue of statutory orders/notices, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				(d) To assist in public education and publicity on matters relating to building safety, Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ .
Building Safety Assistants	a	This post is an NCSC post		
	b	42	\$192,018	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. In addition to general holidays, maternity leave, sickness allowance, 12 days paid annual leave will be granted.</p> <p>To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:</p> <p>(a) To inspect and assist in inspection of buildings, and to prepare reports on unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities;</p> <p>(b) To assist in preparing and issuing statutory orders;</p> <p>(c) To assist in supervision of works carried out by BD contractors for parties concerned in default of statutory orders, to take site measurements and to check accounts for payment;</p> <p>(d) To assist in prosecution of offenders; and</p> <p>(e) To handle requests for viewing and copying of building records and to assist in management of building records.</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Building	a			This post is an NCSC post
Safety Officers	b	98	\$273,438	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p> <p>To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:</p> <p>(a) To inspect buildings and prepare reports for rectification of unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities;</p> <p>(b) To perform enforcement duties including issuing of statutory orders to effect removal of unauthorized building works, repair of defective buildings and drainage, rectification of fire safety deficiencies and irregularities;</p> <p>(c) To examine rectification proposals for compliance of statutory orders;</p> <p>(d) To supervise works carried out by BD contractor in default of statutory orders, to take site measurements and to check accounts for payment;</p> <p>(e) To take prosecution actions to effect removal of unauthorized building works, including case analysis and documentation, collation of evidence, preparation of charges and conducting prosecution in courts; and</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				(f) To deal with enquiries from building owners and occupants.
Clerical Grades Staff	a1 Assistant Clerical Officers	83	\$214,020	Fringe benefits include paid leave, medical and dental benefits, and so on.
	a2 Clerical Officers	98	\$166,920	Housing benefits are granted to eligible civil servants.
	b	157	\$114,216	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.
Motor Drivers	a	31	\$177,900	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) (a) refers to civil servants, (b) refers to NCSC staff
- (2) "Mid-point salaries" are not applicable to NCSC staff. In general, "mid-point salaries" of civil servants are the mid-points of increments, which are not applicable to respective NCSC posts. The salaries of NCSC posts in the BD vary among different contracts. The salary figures in the table are the averages of the highest and lowest salaries of the relevant NCSC posts.
- (3) The relevant work commenced in mid-2012.

Figures as at 31 March 2012

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Structural Engineers	a	128	\$783,600	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance (Cap. 123) and relevant legislation, and so on, including: (a) To process structural plans, applications for consent to commencement of works, certificates of completion of works and applications for licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	44	\$491,400	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To administer the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ ; (d) To specify the required structural works for fire safety improvement of existing buildings; and (e) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Building Surveyors	a	178	\$748,920	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process buildings plans, applications for consent to commencement of works, certificates of completion of works, applications for occupation permits and licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	65	\$449,868	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To administer the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ ; (d) To evaluate the fire safety provisions of existing buildings and specify the required fire safety improvement works; and (e) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Survey Officers	a	172	\$280,320	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Building Surveyors to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking building plans and inspecting building works including minor works and drainage works of private developments and licensed premises;
	b	42	\$178,638	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. In addition to general holidays, maternity leave, sickness allowance, 12 days paid annual leave will be granted.	(b) To assist in carrying out inspection of buildings and slopes, surveying defects, repair works and unauthorized building works, arranging issuance of statutory orders/notices/directions, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on matters relating to building safety, Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ .

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Technical Officers	a	82	\$280,320	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking structural design and details, test reports and construction records, and in witnessing and carrying out of tests on foundation and structural elements;
	b	35	\$178,638	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To assist in carrying out inspection of buildings and slopes, surveying defects, minor works and unauthorized building works, arranging issue of statutory orders/notices, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on matters relating to building safety, Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme ⁽³⁾ .
Building Safety Assistants	a	This post is an NCSC post			
	b	45	\$153,546	A gratuity may be granted upon	To assist the Building Surveyors/Structural

<i>Grade</i> ⁽¹⁾		<i>Number</i>	<i>NAMS</i> ⁽²⁾	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				satisfactory completion of the contract with consistently high standard of performance and conduct. In addition to general holidays, maternity leave, sickness allowance, 12 days paid annual leave will be granted.	Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect and assist in inspection of buildings, and to prepare reports on unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities; (b) To assist in preparing and issuing statutory orders; (c) To assist in supervision of works carried out by BD contractors for parties concerned in default of statutory orders, to take site measurements and to check accounts for payment; (d) To assist in prosecution of offenders; and (e) To handle requests for viewing and copying of building records and to assist in management of building records.
Building Safety Officers	a	This post is an NCSC post			
	b	97	\$246,504	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart	To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect buildings and prepare reports for

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
			<p>from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p>	<p>rectification of unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities;</p> <p>(b) To perform enforcement duties including issuing of statutory orders to effect removal of unauthorized building works, repair of defective buildings and drainage, rectification of fire safety deficiencies and irregularities;</p> <p>(c) To examine rectification proposals for compliance of statutory orders;</p> <p>(d) To supervise works carried out by BD contractor in default of statutory orders, to take site measurements and to check accounts for payment;</p> <p>(e) To take prosecution actions to effect removal of unauthorized building works, including case analysis and documentation, collation of evidence, preparation of charges and conducting prosecution in courts; and</p> <p>(f) To deal with enquiries from building owners and occupants.</p>

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Clerical Grades Staff	a1 Assistant Clerical Officers	81	\$202,260	Fringe benefits include paid leave, medical and dental benefits, and so on.	To provide clerical support
	a2 Clerical Officers	97	\$157,740	Housing benefits are granted to eligible civil servants.	
	b	157	\$106,272	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	
Motor Drivers	a	31	\$168,120	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To drive the government vehicles
	b	There are no motor drivers employed under NCSC in the BD			

Notes:

- (1) (a) refers to civil servants, (b) refers to NCSC staff
- (2) "Mid-point salaries" are not applicable to NCSC staff. In general, "mid-point salaries" of civil servants are the mid-points of increments, which are not applicable to respective NCSC posts. The salaries of NCSC posts in the BD vary among different contracts. The salary figures in the table are the averages of the highest and lowest salaries of the relevant NCSC posts.
- (3) The relevant work commenced in mid-2012.

Figures as at 31 March 2011

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
Structural Engineers	a	92	\$730,680	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process structural plans,
	b	61	\$463,578	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	applications for consent to commencement of works, certificates of completion of works and applications for licences/registrations; and to carry out site audit checks on building works in progress and minor works; (b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To specify the required structural works for fire safety improvement of existing buildings; and (d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Building Surveyors	a	143	\$698,340	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process buildings plans, applications for consent to commencement of works, certificates of completion of works, applications for occupation permits and licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	77	\$424,398	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To evaluate the fire safety provisions of existing buildings and specify the required fire safety improvement works; and (d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Survey Officers	a	137	\$264,060	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Building Surveyors to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking building plans and inspecting building works including minor works and drainage works of private developments and licensed premises;
	b	82	\$168,522	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To assist in carrying out inspection of buildings and slopes, surveying defects, repair works and unauthorized building works, arranging issuance of statutory orders/notices/directions, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on building safety matters.
Technical Officers	a	49	\$264,060	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
	b	74	\$168,522	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p> <p>checking structural design and details, test reports and construction records, and in witnessing and carrying out of tests on foundation and structural elements;</p> <p>(b) To assist in carrying out inspection of buildings and slopes, surveying defects, minor works and unauthorized building works, arranging issue of statutory orders/notices, and supervising works, including works in emergency cases, carried out by the government contractors;</p> <p>(c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and</p> <p>(d) To assist in public education and publicity on building safety matters.</p>
Building Safety Assistants	a	This post is an NCSC post		
	b	215	\$144,852	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.</p> <p>To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:</p> <p>(a) To inspect and assist in inspection of buildings, and to prepare reports on unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities;</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				(b) To assist in preparing and issuing statutory orders; (c) To assist in supervision of works carried out by BD contractors for parties concerned in default of statutory orders, to take site measurements and to check accounts for payment; (d) To assist in prosecution of offenders; and (e) To handle requests for viewing and copying of building records and to assist in management of building records.
Building Safety Officers	a	This post is an NCSC post		
	b	203	\$232,548	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted. To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect buildings and prepare reports for rectification of unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities; (b) To perform enforcement duties including issuing of statutory orders to effect removal of unauthorized building works, repair of defective buildings and drainage, rectification of

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
					<p>fire safety deficiencies and irregularities;</p> <p>(c) To examine rectification proposals for compliance of statutory orders;</p> <p>(d) To supervise works carried out by BD contractor in default of statutory orders, to take site measurements and to check accounts for payment;</p> <p>(e) To take prosecution actions to effect removal of unauthorized building works, including case analysis and documentation, collation of evidence, preparation of charges and conducting prosecution in courts; and</p> <p>(f) To deal with enquiries from building owners and occupants.</p>
Clerical Grades Staff	a1 Assistant Clerical Officers	56	\$190,500	Fringe benefits include paid leave, medical and dental benefits, and so on.	To provide clerical support
	a2 Clerical Officers	91	\$148,560	Housing benefits are granted to eligible civil servants	
	b	65	\$100,248	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart	

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
			from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.		
Motor Drivers	a	31	\$158,340	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To drive the government vehicles
	b	There are no motor drivers employed under NCSC in the BD			

Notes:

- (1) (a) refers to civil servants, (b) refers to NCSC staff
- (2) "Mid-point salaries" are not applicable to NCSC staff. In general, "mid-point salaries" of civil servants are the mid-points of increments, which are not applicable to respective NCSC posts. The salaries of NCSC posts in the BD vary among different contracts. The salary figures in the table are the averages of the highest and lowest salaries of the relevant NCSC posts.

Figures as at 31 March 2010

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
Structural Engineers	a	91	\$719,160	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process structural plans, applications for consent to commencement of works, certificates of completion of works and applications for licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	64	\$461,262	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public	

<i>Grade</i> ⁽¹⁾		<i>Number</i>	<i>NAMS</i> ⁽²⁾	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To specify the required structural works for fire safety improvement of existing buildings; and (d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.
Building Surveyors	a	142	\$687,360	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process buildings plans, applications for consent to commencement of works, certificates of completion of works, applications for occupation permits and licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	80	\$422,286	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity	

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
			leave, sickness allowance, 12 days paid annual leave are granted.	<p>(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works;</p> <p>(c) To evaluate the fire safety provisions of existing buildings and specify the required fire safety improvement works; and</p> <p>(d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.</p>
Survey Officers	a	137	\$262,560	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.
	b	82	\$167,676	<p>A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity</p> <p>To assist the Building Surveyors to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:</p> <p>(a) To assist in checking building plans and inspecting building works including minor works and drainage works of private developments and licensed premises;</p> <p>(b) To assist in carrying out inspection of buildings and slopes, surveying defects, repair</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
			leave, sickness allowance, 12 days paid annual leave are granted.	works and unauthorized building works, arranging issuance of statutory orders/notices/directions, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on building safety matters.	
Technical Officers	a	49	\$262,560	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking structural design and details, test reports and construction records, and in witnessing and carrying out of tests on foundation and structural elements; (b) To assist in carrying out inspection of buildings and slopes, surveying defects, minor works and unauthorized building works, arranging issue of statutory orders/notices, and supervising works, including works in
	b	74	\$167,676	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on building safety matters.
Building Safety Assistants	a	This post is an NCSC post		
	b	233	\$144,126	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted. To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect and assist in inspection of buildings, and to prepare reports on unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities; (b) To assist in preparing and issuing statutory orders; (c) To assist in supervision of works carried out by BD contractors for parties concerned in default of statutory orders, to take site measurements and to check accounts for payment; (d) To assist in prosecution of offenders; and

<i>Grade</i> ⁽¹⁾		<i>Number</i>	<i>NAMS</i> ⁽²⁾	<i>Fringe benefits</i>	<i>Scope of Duties</i>
					(e) To handle requests for viewing and copying of building records and to assist in management of building records.
Building Safety Officers	a	This post is an NCSC post			
	b	203	\$231,390	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect buildings and prepare reports for rectification of unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities; (b) To perform enforcement duties including issuing of statutory orders to effect removal of unauthorized building works, repair of defective buildings and drainage, rectification of fire safety deficiencies and irregularities; (c) To examine rectification proposals for compliance of statutory orders; (d) To supervise works carried out by BD contractor in default of statutory orders, to take site measurements and to check accounts for payment; (e) To take prosecution actions to effect removal of unauthorized building works, including case analysis and

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
					documentation, collation of evidence, preparation of charges and conducting prosecution in courts; and (f) To deal with enquiries from building owners and occupants.
Clerical Grades Staff	a1 Assistant Clerical Officers	56	\$189,420	Fringe benefits include paid leave, medical and dental benefits, and so on.	To provide clerical support
	a2 Clerical Officers	91	\$147,720	Housing benefits are granted to eligible civil servants.	
	b	65	\$99,744	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	
Motor Drivers	a	31	\$157,440	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To drive the government vehicles
	b	There are no motor drivers employed under NCSC in the BD			

Notes:

- (1) (a) refers to civil servants, (b) refers to NCSC staff
- (2) "Mid-point salaries" are not applicable to NCSC staff. In general, "mid-point salaries" of civil servants are the mid-points of increments, which are not applicable to respective NCSC posts. The salaries of NCSC posts in the BD vary among different contracts. The salary figures in the table are the averages of the highest and lowest salaries of the relevant NCSC posts.

Figures as at 31 March 2009

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Structural Engineers	a	88	\$760,020	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process structural plans, applications for consent to commencement of works, certificates of completion of works and applications for licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	70	\$461,262	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To specify the required structural works for fire safety improvement of existing buildings; and (d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Building Surveyors	a	125	\$726,420	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To process buildings plans, applications for consent to commencement of works, certificates of completion of works, applications for occupation permits and licences/registrations; and to carry out site audit checks on building works in progress and minor works;
	b	102	\$422,286	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To deal with unauthorized building works, dilapidated and dangerous buildings, defective drains, dangerous slopes and retaining structures; and to take necessary enforcement actions including issuance of statutory orders/notices and conduct of emergency works; (c) To evaluate the fire safety provisions of existing buildings and specify the required fire safety improvement works; and (d) To instigate prosecution and disciplinary actions; to co-ordinate responses to appeals; and to carry out legislative review and research.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Survey Officers	a	92	\$262,560	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Building Surveyors to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking building plans and inspecting building works including minor works and drainage works of private developments and licensed premises;
	b	129	\$167,676	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To assist in carrying out inspection of buildings and slopes, surveying defects, repair works and unauthorized building works, arranging issuance of statutory orders/notices/directions, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on building safety matters.

<i>Grade⁽¹⁾</i>		<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
Technical Officers	a	46	\$262,560	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To assist the Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To assist in checking structural design and details, test reports and construction records, and in witnessing and carrying out of tests on foundation and structural elements;
	b	83	\$167,676	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	(b) To assist in carrying out inspection of buildings and slopes, surveying defects, minor works and unauthorized building works, arranging issue of statutory orders/notices, and supervising works, including works in emergency cases, carried out by the government contractors; (c) To prepare working drawings and cost estimates, and to assist in records management and statistical collation of building information; and (d) To assist in public education and publicity on building safety matters.
Building Safety Assistants	a	This post is an NCSC post			
	b	197	\$144,126	A gratuity may be granted upon satisfactory	To assist the Building Surveyors/Structural Engineers to enforce and

<i>Grade</i> ⁽¹⁾		<i>Number</i>	<i>NAMS</i> ⁽²⁾	<i>Fringe benefits</i>	<i>Scope of Duties</i>
				completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	administer the Buildings Ordinance and relevant legislation, and so on, including: (a) To inspect and assist in inspection of buildings, and to prepare reports on unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities; (b) To assist in preparing and issuing statutory orders; (c) To assist in supervision of works carried out by BD contractors for parties concerned in default of statutory orders, to take site measurements and to check accounts for payment; (d) To assist in prosecution of offenders; and (e) To handle requests for viewing and copying of building records and to assist in management of building records.
Building Safety Officers	a	This post is an NCSC post			
	b	191	\$231,390	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of	To assist the Building Surveyors/Structural Engineers to enforce and administer the Buildings Ordinance and relevant legislation, and so on, including:

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>
			performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	<p>(a) To inspect buildings and prepare reports for rectification of unauthorized building works, building defects, defective drains, fire safety deficiencies and irregularities;</p> <p>(b) To perform enforcement duties including issuing of statutory orders to effect removal of unauthorized building works, repair of defective buildings and drainage, rectification of fire safety deficiencies and irregularities;</p> <p>(c) To examine rectification proposals for compliance of statutory orders;</p> <p>(d) To supervise works carried out by BD contractor in default of statutory orders, to take site measurements and to check accounts for payment;</p> <p>(e) To take prosecution actions to effect removal of unauthorized building works, including case analysis and documentation, collation of evidence, preparation of charges and conducting prosecution in courts; and</p>

<i>Grade⁽¹⁾</i>	<i>Number</i>	<i>NAMS⁽²⁾</i>	<i>Fringe benefits</i>	<i>Scope of Duties</i>	
				(f) To deal with enquiries from building owners and occupants.	
Clerical Grades Staff	a1 Assistant Clerical Officers	54	\$189,420	Fringe benefits include paid leave, medical and dental benefits, and so on.	To provide clerical support
	a2 Clerical Officers	91	\$147,720	Housing benefits are granted to eligible civil servants.	
	b	87	\$99,744	A gratuity may be granted upon satisfactory completion of the contract with consistently high standard of performance and conduct. Apart from public holidays, maternity leave, sickness allowance, 12 days paid annual leave are granted.	
Motor Drivers	a	31	\$157,440	Fringe benefits include paid leave, medical and dental benefits, and so on. Housing benefits are granted to eligible civil servants.	To drive the government vehicles
	b	There are no motor drivers employed under NCSC in the BD			

Notes:

- (1) (a) refers to civil servants, (b) refers to NCSC staff
- (2) "Mid-point salaries" are not applicable to NCSC staff. In general, "mid-point salaries" of civil servants are the mid-points of increments, which are not applicable to respective NCSC posts. The salaries of NCSC posts in the BD vary among different contracts. The salary figures in the table are the averages of the highest and lowest salaries of the relevant NCSC posts.

Annex 2

2013⁽¹⁾

<i>Grade</i> ⁽²⁾		<i>Number of New Recruits</i>	<i>Number of Departed Staff</i> ⁽³⁾	<i>Number of NCSC Staff Appointed as Civil Servants</i> ⁽⁴⁾
Structural Engineers	a	22	8	14
	b	0	18	
Buildings Surveyors	a	26	7	22
	b	Note ⁽⁵⁾	24	
Survey Officers	a	Note ⁽⁵⁾	5	Note ⁽⁵⁾
	b	0	6	
Technical Officers	a	Note ⁽⁵⁾	4	Note ⁽⁵⁾
	b	0	3	
Building Safety Assistants	a	This post is an NCSC post		Note ⁽⁵⁾
	b	Note ⁽⁶⁾	8	
Building Safety Officers	a	This post is an NCSC post		Note ⁽⁵⁾
	b	0	21	
Clerical Grades Staff	a	Note ⁽⁷⁾		Note ⁽⁸⁾
	b	Note ⁽⁵⁾	49	
Motor Drivers	a	Note ⁽⁹⁾		Not Applicable
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) Year of carrying out recruitment exercise.
- (2) (a) refers to civil servants, (b) refers to NCSC staff
- (3) Includes the numbers of those retired, resigned, transferred, deceased, who did not pass their probation and NCSC staff who were appointed as civil servants.
- (4) Includes the numbers of Building Surveyors (Contract), Structural Engineers (Contract), Survey/Technical Officers (Contract), Building Safety Assistants/Officers appointed as civil servants.
- (5) The BD is now recruiting Survey Officers (Buildings), Technical Officers (Structure), Building Surveyors (Contract) and contract clerical staff.
- (6) The BD has since 2009-2010 stopped recruiting Building Safety Assistants.

- (7) The General Grades Office is responsible for the recruitment and transfer of civil servants of the clerical grades. Whenever there are vacancies in the Department, the General Grades Office will make timely arrangement for substitutes to fill those vacancies.
- (8) The General Grades Office is responsible for the recruitment of civil servants of the clerical grades. The BD has no information related to successful applications for civil servant posts by contract clerical staff.
- (9) The Government Logistics Department is responsible for the recruitment of motor drivers. Whenever there are vacancies in the Department, the Government Logistics Department will make timely arrangement for substitutes to fill those vacancies.

2012⁽¹⁾

<i>Grade⁽²⁾</i>		<i>Number of New Recruits</i>	<i>Number of Departed Staff⁽³⁾</i>	<i>Number of NCSC Staff Appointed as Civil Servants⁽⁴⁾</i>
Structural Engineers	a	0	8	0
	b	25	15	
Buildings Surveyors	a	0	17	0
	b	19	13	
Survey Officers	a	0	3	0
	b	25	6	
Technical Officers	a	0	5	0
	b	15	12	
Building Safety Assistants	a	This post is an NCSC post		0
	b	Note ⁽⁵⁾	30	
Building Safety Officers	a	This post is an NCSC post		0
	b	28	30	
Clerical Grades Staff	a	Note ⁽⁶⁾		Note ⁽⁷⁾
	b	36	45	
Motor Drivers	a	Note ⁽⁸⁾		Not Applicable
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) Year of carrying out recruitment exercise.
- (2) (a) refers to civil servants, (b) refers to NCSC staff
- (3) Includes the numbers of those retired, resigned, transferred, deceased, who did not pass their probation and NCSC staff who were appointed as civil servants.

- (4) Includes the numbers of Building Surveyors (Contract), Structural Engineers (Contract), Survey/Technical Officers (Contract), Building Safety Assistants/Officers appointed as civil servants.
- (5) The BD has since 2009-2010 stopped recruiting Building Safety Assistants.
- (6) The General Grades Office is responsible for the recruitment and transfer of civil servants of the clerical grades. Whenever there are vacancies in the Department, the General Grades Office will make timely arrangement for substitutes to fill those vacancies.
- (7) The General Grades Office is responsible for the recruitment of civil servants of the clerical grades. The BD has no information related to successful applications for civil servant posts by contract clerical staff.
- (8) The Government Logistics Department is responsible for the recruitment of motor drivers. Whenever there are vacancies in the Department, the Government Logistics Department will make timely arrangement for substitutes to fill those vacancies.

2011⁽¹⁾

<i>Grade⁽²⁾</i>		<i>Number of New Recruits</i>	<i>Number of Departed Staff⁽³⁾</i>	<i>Number of NCSC Staff Appointed as Civil Servants⁽⁴⁾</i>
Structural Engineers	a	0	10	0
	b	27	35	
Buildings Surveyors	a	59	8	29
	b	50	33	
Survey Officers	a	60	9	43
	b	27	25	
Technical Officers	a	0	2	0
	b	8	22	
Building Safety Assistants	a	This post is an NCSC post		Already included in the 4 rows above
	b	Note ⁽⁵⁾	52	
Building Safety Officers	a	This post is an NCSC post		Already included in the 4 rows above
	b	21	32	
Clerical Grades Staff	a	Note ⁽⁶⁾		Note ⁽⁷⁾
	b	198	50	
Motor Drivers	a	Note ⁽⁸⁾		Not Applicable
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) Year of carrying out recruitment exercise.

- (2) (a) refers to civil servants, (b) refers to NCSC staff
- (3) Includes the numbers of those retired, resigned, transferred, deceased, who did not pass their probation and NCSC staff who were appointed as civil servants.
- (4) Includes the numbers of Building Surveyors (Contract), Structural Engineers (Contract), Survey/Technical Officers (Contract), Building Safety Assistants/Officers appointed as civil servants.
- (5) The BD has since 2009-2010 stopped recruiting Building Safety Assistants.
- (6) The General Grades Office is responsible for the recruitment and transfer of civil servants of the clerical grades. Whenever there are vacancies in the Department, the General Grades Office will make timely arrangement for substitutes to fill those vacancies.
- (7) The General Grades Office is responsible for the recruitment of civil servants of the clerical grades. The BD has no information related to successful applications for civil servant posts by contract clerical staff.
- (8) The Government Logistics Department is responsible for the recruitment of motor drivers. Whenever there are vacancies in the Department, the Government Logistics Department will make timely arrangement or substitutes to fill those vacancies.

2010⁽¹⁾

<i>Grade⁽²⁾</i>		<i>Number of New Recruits</i>	<i>Number of Departed Staff⁽³⁾</i>	<i>Number of NCSC Staff Appointed as Civil Servants⁽⁴⁾</i>
Structural Engineers	a	74	5	42
	b	0	9	
Buildings Surveyors	a	0	7	0
	b	0	18	
Survey Officers	a	0	8	0
	b	0	24	
Technical Officers	a	58	3	25
	b	0	23	
Building Safety Assistants	a	This post is an NCSC post		Already included in the 4 rows above
	b	Note ⁽⁵⁾	74	
Building Safety Officers	a	This post is an NCSC post		Already included in the 4 rows above
	b	0	44	
Clerical Grades Staff	a	Note ⁽⁶⁾		Note ⁽⁷⁾
	b	0	10	

<i>Grade</i> ⁽²⁾		<i>Number of New Recruits</i>	<i>Number of Departed Staff</i> ⁽³⁾	<i>Number of NCSC Staff Appointed as Civil Servants</i> ⁽⁴⁾
Motor Drivers	a	Note ⁽⁸⁾		Not Applicable
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) Year of carrying out recruitment exercise.
- (2) (a) refers to civil servants, (b) refers to NCSC staff
- (3) Includes the numbers of those retired, resigned, transferred, deceased, who did not pass their probation and NCSC staff who were appointed as civil servants.
- (4) Includes the numbers of Building Surveyors (Contract), Structural Engineers (Contract), Survey/Technical Officers (Contract), Building Safety Assistants/Officers appointed as civil servants.
- (5) The BD has since 2009-2010 stopped recruiting Building Safety Assistants.
- (6) The General Grades Office is responsible for the recruitment and transfer of civil servants of the clerical grades. Whenever there are vacancies in the Department, the General Grades Office will make timely arrangement for substitutes to fill those vacancies.
- (7) The General Grades Office is responsible for the recruitment of civil servants of the clerical grades. The BD has no information related to successful applications for civil servant posts by contract clerical staff.
- (8) The Government Logistics Department is responsible for the recruitment of motor drivers. Whenever there are vacancies in the Department, the Government Logistics Department will make timely arrangement for substitutes to fill those vacancies.

2009⁽¹⁾

<i>Grade</i> ⁽²⁾		<i>Number of New Recruits</i>	<i>Number of Departed Staff</i> ⁽³⁾	<i>Number of NCSC Staff Appointed as Civil Servants</i> ⁽⁴⁾
Structural Engineers	a	0	3	0
	b	0	10	
Buildings Surveyors	a	32	11	24
	b	7	37	
Survey Officers	a	0	2	0
	b	0	31	

<i>Grade⁽²⁾</i>		<i>Number of New Recruits</i>	<i>Number of Departed Staff⁽³⁾</i>	<i>Number of NCSC Staff Appointed as Civil Servants⁽⁴⁾</i>
Technical Officers	a	0	1	0
	b	0	21	
Building Safety Assistants	a	This post is an NCSC post		Already included in the 4 rows above
	b	Note ⁽⁵⁾	59	
Building Safety Officers	a	This post is an NCSC post		Already included in the 4 rows above
	b	9	58	
Clerical Grades Staff	a	Note ⁽⁶⁾		Note ⁽⁷⁾
	b	0	11	
Motor Drivers	a	Note ⁽⁸⁾		Not Applicable
	b	There are no motor drivers employed under NCSC in the BD		

Notes:

- (1) Year of carrying out recruitment exercise
- (2) (a) refers to civil servants, (b) refers to NCSC staff
- (3) Includes the numbers of those retired, resigned, transferred, deceased, who did not pass their probation and NCSC staff who were appointed as civil servants.
- (4) Includes the numbers of Building Surveyors (Contract), Structural Engineers (Contract), Survey/Technical Officers (Contract), Building Safety Assistants/Officers appointed as civil servants.
- (5) The BD has since 2009-2010 stopped recruiting Building Safety Assistants.
- (6) The General Grades Office is responsible for the recruitment and transfer of civil servants of the clerical grades. Whenever there are vacancies in the Department, the General Grades Office will make timely arrangement for substitutes to fill those vacancies.
- (7) The General Grades Office is responsible for the recruitment of civil servants of the clerical grades. The BD has no information related to successful applications for civil servant posts by contract clerical staff.
- (8) The Government Logistics Department is responsible for the recruitment of motor drivers. Whenever there are vacancies in the Department, the Government Logistics Department will make timely arrangement for substitutes to fill those vacancies.

Safety of Use of Electric Wheelchairs

14. **MR YIU SI-WING** (in Chinese): *President, electric wheelchairs are the means to achieve mobility for some persons with disabilities and certain elderly people. It has been reported that quite a number of wheelchair users have modified their electric wheelchairs (for example, increasing the travelling speed of the wheelchairs as well as retrofitting shopping baskets and creating space for standees, and so on). Given that electric wheelchairs are not categorized as a mode of transport, they are not regulated by the Transport Department (TD). However, some members of the public have pointed out that electric wheelchairs travelling at high speed on pavements and pedestrian crossings might pose safety hazards to wheelchair users and pedestrians. In this connection, will the Government inform this Council:*

- (1) *of the number of complaints received by the authorities from 2010 to 2012 about electric wheelchairs posing safety hazards or causing obstruction to pedestrians;*
- (2) *whether it has formulated safety standards in respect of the structure, weight and maximum travelling speed of electric wheelchairs, and how it ensures that modified electric wheelchairs are in compliance with these standards; if it has, of the details; if not, the reasons for that; and*
- (3) *other than section 4(8) of the Summary Offences Ordinance (Cap. 228), whether there are other laws imposing penalties on persons using electric wheelchairs improperly; if there are, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, upon consultation with the Transport and Housing Bureau, the Commerce and Economic Development Bureau, the TD, the police and the Department of Health, my reply to the various parts of the question is as follows:

- (1) From 2010 to 2012, the TD only received one complaint in 2012 about electric wheelchairs posing safety hazards or causing obstruction to pedestrians. The police does not have the relevant statistics.

(2) and (3)

To protect consumers, the Consumer Goods Safety Ordinance (Cap. 456) (the Ordinance) requires manufacturers, importers and suppliers to ensure that the consumer goods (including electric wheelchairs) that they supply in Hong Kong are reasonably safe. The Customs and Excise Department as the enforcement agency of the Ordinance would take into account the applicable safety standards published by standards institutes in determining whether consumer goods available for sale on the market comply with the Ordinance. For electric wheelchairs, the relevant standards include International Standard ISO 7176 and National Standard GB/T 12996-2012 published by the Mainland.

As regards the issues of inappropriate use of electric wheelchairs, their speed limit and safety hazard for other road users, our reply is as follows.

As wheelchair users use pedestrian facilities, such as pavements and road crossings, they should follow the rules and guidelines applicable to pedestrians. The public should respect wheelchair users' right to use road space, and wheelchair users should also respect the rights of others in use of roads and pay attention to others' safety. To educate wheelchair users on correct usage of electric wheelchairs, the Rehabaid Centre under the Hospital Authority conducts therapeutic group training about safe operation of electric wheelchairs. This training offers advice and training on the proper use of electric wheelchairs in different situations, so that the users can travel safely when crossing the road and in crowded environments.

In addition to the above guidelines, section 4(8) of the Summary Offences Ordinance (Cap. 228) stipulates that it is an offence if any person, in any public space drives recklessly or negligently or at a speed or in a manner which is dangerous to the public. The offender shall be liable to a fine of \$500 or to imprisonment of three months. The speed of electric or non-powered wheelchairs that can result in danger is different under different circumstances. The Summary Offences Ordinance has not set a standard speed limit so

that law-enforcement agents can enforce the law according to the actual situation.

Government Policy on Internal Circulation of Documents

15. **MR GARY FAN** (in Chinese): *President, it was reported that on 22 November last year, a total of over 100 people comprising Executive Council Members and senior officials such as politically appointed officials, the Permanent Secretaries of various Policy Bureaux and the heads of various government departments, attended a government internal seminar at which the Deputy Secretary-General of the Standing Committee of the National People's Congress cum Chairman of the Hong Kong Special Administrative Region Basic Law Committee (BLC Chairman) spoke on the selection of the Chief Executive by universal suffrage. Subsequently, the Office of the Chief Secretary for Administration issued a circular encouraging the Secretaries and Directors of Bureaux, Permanent Secretaries, Heads of Departments, Under Secretaries and Political Assistants to share with the senior civil servants in their bureaux/departments (B/Ds) the speech delivered by the BLC Chairman at the seminar. When circulating the speech internally, some departments even required civil servants who had read the speech to initial it for record. In this connection, will the Government inform this Council:*

- (1) *of the code it has drawn up on internal circulation of documents, and whether such a code has stipulated what documents or under what circumstances that civil servants should be required to initial the documents for record after reading them;*
- (2) *of the foreign or Mainland officials whose speeches were circulated by the Government among the politically appointed officials and civil servants in the past five years, and set out the details in the table below;*

<i>Date of delivery of the speech</i>	<i>Local official in charge of the event</i>	<i>Name of speaker</i>	<i>Theme of speech</i>	<i>B/Ds which circulated the speech internally</i>	<i>Reason(s) for circulation</i>

<i>Date of delivery of the speech</i>	<i>Local official in charge of the event</i>	<i>Name of speaker</i>	<i>Theme of speech</i>	<i>B/Ds which circulated the speech internally</i>	<i>Reason(s) for circulation</i>

- (3) *whether it has assessed if the authorities requesting civil servants to read documents issued or speeches delivered in Hong Kong by Mainland officials relating to constitutional development and interpretation of the provisions of the Basic Law will undermine the political neutrality of civil servants and is in breach of the principle of "Hong Kong people ruling Hong Kong"; and*
- (4) *whether it has assessed if the participation of civil servants in the aforesaid seminar during office hours is an activity outside the scope of their duties and if the speech concerned is a document outside the scope of their duties; if it has conducted such an assessment and the outcome is in the affirmative, whether the Government has assessed if it has violated the terms of employment of civil servants by requiring them to participate in such activities and read such documents?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, the Chief Secretary for Administration holds regular meetings with politically appointed officials, Permanent Secretaries and Heads of Departments to exchange views on important government policies and issues of social concern. Senior officials must keep abreast of major policy issues and help explain Government's position to stakeholders they come across in their daily work, foreign visitors they receive and interlocutors they meet during overseas visits. Therefore, the Government arranges from time to time talks on different policies and social issues for the participation of officials or provides relevant materials for their perusal in pursuit of effective governance.

It is the common aspiration of the Central Authorities, the Hong Kong Special Administrative Region (HKSAR) Government and the Hong Kong general public to implement the election of the Chief Executive by way of universal suffrage in 2017 and to properly handle the work relating to the method for forming the Legislative Council in 2016, strictly in accordance with the Basic Law and the relevant Interpretation and Decision of the Standing Committee of the National People's Congress (NPCSC). It is also the constitutional responsibility and an important policy objective of the current-term HKSAR Government. To prepare for the rolling out of the consultation on the methods for selecting the Chief Executive in 2017 and forming the Legislative Council in 2016, on behalf of the HKSAR Government, I have invited the Chairman of the HKSAR Basic Law Committee under the NPCSC, Mr LI Fei, and the Vice-Chairperson, Mr ZHANG Rongshun, to visit Hong Kong, attending a seminar with politically appointed officials, Executive Council Members, Permanent Secretaries and Heads of Departments, and meeting with different groups in the community to expound and exchange views on major issues of constitutional development that are in close association with the Basic Law. As Mr LI and Mr ZHANG are Basic Law experts, their explanation is beneficial to our better understanding of the provisions on the constitutional development in Hong Kong as stipulated in the Basic Law and the design principles of Hong Kong's political structure.

Mr LI's speech at the internal seminar organized by the Government on 22 November was subsequently released in full to the public. Internally, besides distributing the speech to politically appointed officials, Executive Council Members, Permanent Secretaries and Heads of Departments, we also encouraged Heads of Departments to circulate it among senior staff of their departments. Given the profound importance of constitutional development to Hong Kong's long-term development, we hope that the entire Civil Service, senior staff in particular, will have a basic understanding of the constitutional development and the relevant articles of the Basic Law. Where appropriate, they can help promote the work on constitutional development when they meet with different stakeholders in their daily work so as to attain the election of the Chief Executive through universal suffrage in 2017. In fact, it is the duty of politically appointed officials and civil servants to have knowledge of the Basic Law for the purpose of supporting the HKSAR Government, headed by the Chief Executive, in the governance of Hong Kong in accordance with the law.

My reply to the questions raised by Mr Gary FAN is as follows:

(1) and (2)

There is no general rule governing the circulation of documents within the Government. As a general practice, Heads of Departments/Grades may, as and when they see fit, circulate articles or information materials relevant to their duties or important social issues to members of their departments/grades. It is up to the Heads of Departments/Grades to determine the manner of circulation. We do not have consolidated records on circulation of documents in various departments/grades.

(3) According to the Civil Service Code, "political neutrality" means that civil servants shall serve the Chief Executive and the Government of the day with total loyalty and to the best of their ability, no matter what their own political beliefs are. They shall not allow their own personal party political affiliation or party political beliefs to determine or influence the discharge of their official duties and responsibilities, including the advice they give and the decisions or actions they take. In this connection, the circulation of Mr LI's speech delivered at the internal seminar among senior civil servants for the purpose of a better understanding of the relevant provisions of the Basic Law on constitutional development is not in conflict with the political neutrality of the Civil Service, and in no way breaching the principle of "Hong Kong people ruling Hong Kong".

(4) It is the responsibility of the civil servants to know about the Basic Law and assist the Chief Executive and the HKSAR Government in their governance in accordance with the law. To this end, the Government conducts regular training on the Basic Law for civil servants and, from time to time, invites outsiders to give such talks. Attending the 22 November seminar at which Mr LI was the speaker and reading his speech by civil servants are no different from attending other talks or reading relevant materials on the Basic Law.

Quality Migrant Admission Scheme

16. **MR JAMES TO** (in Chinese): *President, it has been reported that during the seven years starting from the introduction of the Quality Migrant Admission Scheme (QMAS) in 2006 until now, a total of over 2 000 applicants were granted approval for settlement in Hong Kong under QMAS, and 80% of such persons (talents) came from the Mainland. In this connection, will the Government inform this Council:*

- (1) *among the talents granted approval for settlement in Hong Kong, of (i) the respective numbers of them whose applications were assessed through the General Points Test and the Achievement-based Points Test under QMAS, (ii) the number of them who still live in Hong Kong, and (iii) the number of them who have already acquired the permanent resident status (and how many of them still live in Hong Kong);*
- (2) *whether it has measures to attract talents from places other than the Mainland to apply for settlement in Hong Kong under QMAS; if so, of the specific measures; if not, the reasons for that;*
- (3) *whether the talents or their dependants are entitled to the social welfare benefits for permanent residents before they have acquired the permanent resident status;*
- (4) *of the current number of talents employed by the Government, and how many of them have a length of service not less than seven years; their academic or professional qualifications in general, together with a breakdown by government department set out in a table; and*
- (5) *of the criteria and reasons for various government departments to employ talents; whether the reasons include the fact that too few local residents who meet the entry requirements applying for the relevant government posts; whether the talents applying for government posts will be exempted from the Common Recruitment Examination and the Basic Law Test?*

SECRETARY FOR SECURITY (in Chinese): President, the reply is as follows:

- (1)
 - (i) The QMAS was implemented on 28 June 2006. Up till 30 November 2013, a total of 2 646 applicants have been allocated quotas, of which 2 432 were allocated under the General Points Test and the remaining 214 under the Achievement-based Points Test.
 - (ii) According to the Immigration Department (ImmD)'s statistics, there were around 1 600 QMAS entrants staying in Hong Kong as at 30 November 2013.
 - (iii) The ImmD does not maintain the relevant statistics.
- (2) Since its implementation, the QMAS has attracted quality talents from around the world to Hong Kong. To ensure the scheme is in line with Hong Kong's overall development, the Administration will review the scheme from time to time according to Hong Kong's actual situation and socio-economic development needs. The Administration will also enhance publicity of the scheme, including holding promotion events through the economic and trade offices outside Hong Kong, Invest Hong Kong, the Trade Development Council and relevant organizations and bodies, in order to promote the scheme abroad and to attract more quality talents to Hong Kong.
- (3) Applicants may enrol in programmes or receive services administered by the Social Welfare Department so long as they meet the relevant eligibility criteria (including income and asset assessment and residence requirement, where applicable). QMAS entrants and their dependants may apply for welfare services if they meet the eligibility criteria for the services concerned, even before they have attained permanent resident status.
- (4) and (5)

According to records, of all the newly recruited civil servants from 2006 to 2013, there were no individuals who had come to Hong Kong under the QMAS. Regardless of whether a job applicant has

come to Hong Kong under the QMAS, civil service appointment is based on the principle of appointing the most suitable person for the job on the basis of merit, and candidates are assessed on the basis of their ability, performance and character, and having regard to the stipulated entry requirements set according to the job requirements.

Integrated Employment Assistance Programme for Self-reliance

17. **MR FRANKIE YICK** (in Chinese): *President, since January 2013, the Social Welfare Department (SWD) has commissioned 26 non-governmental organizations to implement the Integrated Employment Assistance Programme for Self-reliance (IEAPS). IEAPS aims to encourage and assist able-bodied Comprehensive Social Security Assistance (CSSA) recipients aged 15 to 59 to secure employment, by providing one-stop integrated employment assistance services and introducing the Work Exposure Services so as to help improve CSSA recipients' chances of securing employment. In this connection, will the Government inform this Council:*

- (1) *of the total number of participants in IEAPS since its introduction and, among them, the respective percentages of those who have secured employment and those who have left the CSSA net;*
- (2) *of the respective current average working hours per day and total working hours per week of each IEAPS participant, as well as the average number of months of continuous work; and*
- (3) *whether the SWD has recorded the attendance rates of IEAPS participants, and whether it has set a minimum requirement of attendance rate; whether it has put in place a mechanism to penalize participants for absence from work without reasons or for having an attendance rate lower than the minimum requirement (if any); if so, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the question raised by Mr Frankie YICK is as follows:

- (1) Since the launching of the IEAPS in January 2013 up to the end of November 2013, 11 752 able-bodied CSSA recipients participated in the IEAPS. Amongst them, 3 450 (29.4%) have secured employment and 828 (7.1%) have left the CSSA net.
- (2) Able-bodied CSSA recipients who have secured full-time employment (that is, paid employment with working hours no less than 120 per month and earnings not less than \$1,845 per month) will not be required to join the IEAPS. According to the record of the SWD, these recipients were working 176 hours per month on average. The SWD does not keep information on the average working hours per day or per week, nor the average number of months of continuous employment of the participants.
- (3) Under IEAPS, able-bodied CSSA recipients have to receive the employment assistance services provided and arranged by the non-governmental organizations operating the IEAPS projects, including attending the interviews regularly, developing action plans to seek employment and receiving Work Exposure Services, and so on. If unemployed able-bodied CSSA recipients fail to participate in any service without good reasons, the SWD will consider suspending CSSA payments. The suspension period will at least be 14 days.

Cessation of an Insurance Company to Sell Life Insurance Policies Through Tied Agents

18. **MR LEUNG CHE-CHEUNG** (in Chinese): *President, it has been reported that Zurich Life Insurance (Hong Kong) (the company) had earlier on changed the distribution channel for its life insurance policies. Such products and after-sales services would no longer be offered through its tied agents and instead would be distributed by independent financial advisers and insurance agency companies. More than 700 insurance agents would be laid off and a total of 160 000 insurance policies would be affected. The press report also pointed out that similar arrangements would become a market trend, and other small and medium-sized insurance companies were expected to follow such practice of the company. In this connection, will the Government inform this Council:*

- (1) *whether the authorities have followed up the aforesaid incident; if so, of the progress and details of the follow-up actions;*
- (2) *whether it knows the number and nature of the requests for assistance received by the Office of the Commissioner of Insurance (OCI) from insurance agents and insurance policy holders in respect of the aforesaid incident;*
- (3) *as some affected insurance policy holders have alleged that they have tried to seek assistance from the Consumers Council but in vain, and OCI does not have the statutory power to intervene in commercial disputes involving insurance companies, insurance intermediaries and insurance policy holders, of the measures the authorities have in place to safeguard the interests of insurance policy holders in similar incidents;*
- (4) *as some affected insurance policy holders have claimed that it is set out in the insurance policies that the agents of the company will provide clients with after-sales services but the company has unilaterally terminated the arrangement, whether it has assessed if the company has breached any law; if it has made such an assessment, of the results;*
- (5) *as some members of the industry have pointed out that a similar incident once occurred in Hong Kong and the relevant insurance company eventually assisted the affected insurance agents in setting up insurance agency companies to keep on handling clients' insurance policies to resolve the issue, whether it knows the relevant details of the incident (including when the incident occurred, its development, the number of affected insurance agents and insurance policy holders, the role and duties performed by OCI in that incident, as well as the final plan to resolve the disputes);*
- (6) *whether the authorities have assisted in resolving the disputes on commissions between the company and its insurance agents, or assisted the affected insurance agents in setting up an independent insurance agency company; and*

- (7) *as there are views that the insurance company in the aforesaid incident has not hesitated to fundamentally change the traditional insurance agent system in order to save costs, and other insurance companies will follow such practice, of the forward-looking measures the authorities have in place to ensure the healthy development of the insurance market?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the change in Zurich Life Insurance (Hong Kong) (the Company)'s sales strategy is a commercial decision, having regard to its business development in Hong Kong. It does not represent an industry-wide development trend or strategy. In fact, over the past three years, the number of tied agents of insurance companies has increased from over 34 000 in 2011 to more than 40 000 in 2013, and many insurance companies with tied agents continue to increase their workforce.

Insurance companies can distribute their products through various channels such as tied agents and insurance brokers. A tied agent is appointed by an insurance company to sell products on its behalf, whereas an insurance broker (also known as an independent financial adviser) acts on behalf of a policy holder to arrange an insurance contract. The Company has earlier decided to stop using tied agents, not insurance brokers, as a distribution channel.

The OCI has been closely monitoring insurance companies' business development and operational strategies in order to safeguard the rights of policy holders and facilitate the healthy development of the insurance market.

Matters raised in the question can be summarized into (i) the number and nature of requests for assistance received by OCI; (ii) rights of policy holders; (iii) OCI's work in assisting dispute resolution between the Company and its tied agents; and (iv) similar precedent. Our consolidated reply is as follows:

(i) *Requests for assistance*

Since the announcement by the Company in early November 2013 to stop using tied agents as its distribution channel until 31 December 2013, OCI has received 176 enquiries from the

Company's clients. The nature of the enquiries largely falls into the following three categories:

- (a) enquiring whether the incident would affect their rights in the insurance policies;
- (b) demanding the Company to continue to provide services to clients through tied agents; and
- (c) requesting a refund of insurance premiums due to dissatisfaction with the Company's announcement to stop using tied agents as its distribution channel.

In addition, OCI has also received six requests of assistance from tied agents of the Company who mainly expressed their discontent and requested the Company to compensate them.

(ii) *Rights of policy holders*

An insurance policy is a contract between a policy holder and an insurance company. Both parties are bound by the terms and conditions of the policy, and a policy holder's rights will not be affected by any change of the intermediary. OCI has been closely monitoring the incident to safeguard the rights of policy holders, and asked the Company to arrange sufficient manpower to continue to provide policy holders with after-sales services. The Company has pledged to OCI that the relevant services will not be affected by the incident.

After examining the policies issued by the Company, OCI has not found any terms and conditions therein prescribing that the after-sales services must be provided through tied agents. Generally, insurance companies must arrange adequate after-sales services to policy holders. Such services may be rendered by tied agents, insurance brokers/independent financial advisers, or an insurance company's customer service centre. Different insurance companies may adopt different arrangements.

- (iii) *OCI's assistance in dispute resolution between the Company and its tied agents*

OCI has been closely following up this incident, and actively assisting dispute resolution between the Company and its tied agents. It arranged two meetings between the Company and its tied agents on 29 November and 6 December 2013 respectively to discuss matters related to contract termination arrangements. After these two meetings and mediation of OCI, both sides have reached consensus on important matters and agreed not to disclose details of the agreement to a third party.

- (iv) *Similar precedent*

In 2001, an insurance company in Hong Kong decided to stop using tied agents to provide its services as a result of a change in its sales strategy. At that time, after discussion between the relevant insurance company and its tied agents, both sides agreed that the affected agents would establish an independent financial advisory firm (that is, an insurance broker firm) to continue to serve their clients through insurance brokerage. Some of the tied agents of that insurance company joined the independent financial advisory firm, while others left that company through natural wastage or joining other insurance companies.

Arrangements for Admission of Members of Public to Forums on Policy Address and Budget

19. **MR CHAN CHI-CHUEN** (in Chinese): *President, during the period from November to December last year, the Government held three regional forums (the forums) on the 2014 Policy Address and the 2014-2015 Budget. As admission tickets were distributed at around 9 am on the respective days of the forums outside the venues on a first-come-first-served basis, quite a number of members of the public who wanted to get the admission tickets queued up overnight and were tormented by the elements. However, in 2012, members of the public were allowed to register through a hotline for attending the forums held in that year. In this connection, will the Government inform this Council:*

- (1) *of the respective manpower deployed by the relevant government departments for distribution of admission tickets of and maintenance of order for the forum on 24 November last year;*
- (2) *why the Government has switched the approach for admission of members of the public to the forums from registration through a hotline in previous years to queuing up in person for admission tickets; whether the Government, in deciding to adopt queuing-up for distribution of admission tickets, had considered the personal safety of those who queued up in person and their suffering in the elements, the nuisances that might be caused by such queuing arrangements to residents in the vicinity and the police manpower required for maintaining order overnight; and*
- (3) *whether it has any plan to review the means through which members of the public are admitted to the forums, so as to ensure that people holding different views have equal opportunities to attend such forums and express their opinions at the forums, and at the same time, obviate the suffering of members of the public in queuing up overnight for admission tickets, and avoid causing nuisances to residents nearby; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, district consultation forums facilitate the Chief Executive and his accountability team to maintain close contact with members of the public and listen directly to their views. Such contacts are very useful to government in formulating and implementing policies responsive to public aspirations and befitting the community.

My reply to the three parts of the question raised by Mr CHAN Chi-chuen is as follows:

- (1) Government departments will formulate corresponding strategies and contingency plans, deploy manpower flexibly and put in place order control and crowd management measures in the light of the objectives, nature, number of participants, risk assessments and operational needs of individual events. We do not have the statistics on the manpower deployed by the respective government

departments in distributing admission tickets and maintaining order for the forum held on 24 November last year. The expenditure and workload incurred by the forum were absorbed within the existing resources of the relevant departments.

(2) and (3)

In organizing consultation forums, the most suitable arrangements are adopted with due regard to the nature and venue of the activity as well as the recommendations of departments concerned. In 2013, Chief Executive attended six consultation/regional forums. As a large number of people were expected to be interested in attending, but seats were limited, the relevant departments decided after discussion that admission tickets be distributed through queue on a first-come-first-served basis. From operational experience, this method proves to be fair, transparent, orderly and effective. Moreover, departments concerned would make other appropriate arrangements, such as providing marquees and communicating with organizations and institutions in the vicinity of the venues where necessary.

As always, the Government will continue to gauge public views through various suitable channels, including the Legislative Council, District Councils, advisory and statutory bodies, the Home Affairs Department, the Internet and regional forums, and so on.

Statistics About Private Residential Care Homes for Elderly

20. **MR TANG KA-PIU** (in Chinese): *President, it has been reported earlier in the press that a staff member of a private residential care home for the elderly (PRCHE) was dismissed for reporting the abuse of an elderly resident of that PRCHE by another staff member, and the elderly abuse case has also given rise to public concern about the service quality of PRCHEs. In this connection, will the Government inform this Council:*

- (1) *in respect of subsidized residential care homes for the elderly (RCHes) and PRCHEs respectively, (i) of the number of cases received by the authorities about the abuse of elderly residents, and*

- (ii) among them, the number of cases in which the abusers were convicted, and (iii) the number of staff members of residential care homes who were dismissed for reporting incidents of abuse, in the past five years;
- (2) of the existing number of elderly persons residing in PRCHEs and a breakdown by (i) District Council district where the PRCHEs concerned are located, (ii) their level of disability (that is, in need of constant attendance, 100% disabled and able-bodied/50% disabled), (iii) the age group to which they belong, (iv) the number of children they have and (v) their marital status;
- (3) of the number of elderly persons currently residing in PRCHEs who received, in each of the past five years, assessments for ascertaining their service needs under the "Standardized Care Need Assessment" and, among them, the respective numbers and percentages of those (i) who were assessed to have different levels of disability, (ii) who were assessed as having had a significant change in health conditions, and (iii) who were allocated a place in a subsidized residential care home subsequently;
- (4) of the existing number of elderly persons residing in PRCHEs who are recipients of Comprehensive Social Security Assistance (CSSA) and, among them, of the number of those who started receiving CSSA only after admission to PRCHEs; the respective average amounts of CSSA payments received by residents of PRCHEs who have different levels of disability and are receiving CSSA;
- (5) of the number of elderly CSSA recipients currently residing in PRCHEs who were given supplements and special grants last year, as well as the average amounts they were given, and a breakdown by the level of disability;
- (6) among the elderly persons residing in PRCHEs, of (i) the respective numbers and percentages of those receiving CSSA of different standard rates according to their levels of disability, and (ii) the number and percentage of those who were allocated a place in a subsidized residential care home, in the past five years;

- (7) *of the number of elderly CSSA recipients residing in PRCHes who passed away in each of the past five years and, among them, of the number of those who were waiting for admission to a subsidized residential care home when they passed away;*
- (8) *of the number of cases, in each of the past five years into which the authorities conducted investigations, concerning elderly CSSA recipients residing in PRCHes did not report the fact that their family members had paid part of the home fees for them, and the number of prosecutions instituted in respect of such cases;*
- (9) *of the respective numbers of PRCHes charging minimum home fees higher than the CSSA payments received by elderly residents of the relevant levels of disability; and*
- (10) *whether the Social Welfare Department (SWD) will consider granting, apart from Residential Care Supplement, additional allowance to CSSA recipients residing in PRCHes, so as to make up for the differences between the CSSA payments and the home fees charged by PRCHes; if so, of the details; if not, the reasons for that; and whether it has studied the feasibility of allowing family members of CSSA recipients residing in PRCHes to pay part of the home fees for them without deducting their CSSA payments?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, we do not tolerate any act of elderly abuse. The SWD will handle any suspected elderly abuse incidents in RCHEs seriously. Apart from referring the cases concerned to the police for criminal investigation, the SWD will collaborate with different disciplines of professionals to investigate and handle the cases in accordance with the "Procedural Guidelines for Handling Elder Abuse Cases" as well as to provide suitable support services for the elderly persons concerned. Furthermore, depending on the nature and seriousness of the cases involved, the Licensing Office of Residential Care Homes for the Elderly (LORCHE) of the SWD will issue advices, warnings or directives to the RCHEs concerned. LORCHE will also conduct more frequent inspections of the RCHEs concerned and monitor if remedial measures have been implemented by the RCHEs concerned.

As regards the questions raised by Mr TANG Ka-piu, my reply is as follows:

- (1) LORCHE only keeps records of elderly abuse incidents since 2010. From 2010 to end September 2013, there were nine elderly abuse incidents involving seven private RCHEs and two subsidized/self-financing RCHEs. All of the seven elderly abuse incidents in private RCHEs were referred to the police for follow-up action. Among these cases, the abuser in one case was prosecuted after police investigation and subsequently convicted by the Court. The other two elderly abuse cases which occurred in subsidized/self-financing RCHEs were also followed up by the police. The abuser of one of these cases was prosecuted after police investigation and convicted by the Court. The SWD does not keep record on the number of dismissal of RCHE staff members for reporting elderly abuse incidents.
- (2) According to the records of LORCHE⁽¹⁾, as at September 2013, the numbers of elderly residents in private RCHEs (including the places provided by private RCHEs under the Enhanced Bought Place Scheme) are as follows:

<i>District</i>	<i>Numbers of elderly residents in private RCHEs</i>
Central and Western District	1 832
Southern District	1 500
Eastern District	3 443
Wan Chai	620
Kwun Tong	2 373
Wong Tai Sin	1 826
Kowloon City	4 359
Sham Shui Po	3 272
Yau Tsim Mong	2 326
Islands	335
Sai Kung	135
Northern District	2 005

- (1) The information is extracted from the database in the record system of the SWD LORCHE during the said period. There is no breakdown of information in the database on the level of disability, age, number of children and marital status of these elderly residents.

<i>District</i>	<i>Numbers of elderly residents in private RCHEs</i>
Tai Po	1 895
Sha Tin	1 533
Kwai Tsing	3 482
Tsuen Wan	2 403
Tuen Mun	2 481
Yuen Long	3 292
Total	39 112

Among the over 39 000 elderly residents in private RCHEs, around 32 000 were living in non-subsidized residential care places.

- (3) The SWD does not keep statistics on the number of elderly persons in private RCHEs who have been assessed by the Standardized Care Need Assessment Mechanism for the Elderly Services (SCNAMES). However, according to the accommodation status provided by the elderly applicants on the Central Waiting List (CWL) for subsidized long-term care (LTC) services, as at end September 2013, some 10 000 applicants living in private RCHEs were being assessed as having LTC needs.

Furthermore, under the existing arrangement, once the applicants have met the age requirement and have been assessed by SCNAMES with proven residential care needs, the SWD will allocate subsidized services to these eligible applicants in accordance with the priority of their application dates and their preferences for RCHEs. Applicants' accommodation status is not part of the application criteria and will not affect the priority of service allocation. Hence, the SWD does not keep statistics on the number of elderly residents in private RCHEs based on their assessment results, health conditions and placements for subsidized residential care places.

- (4), (5) and (6)

The numbers of elderly persons aged 60 or above residing in non-subsidized residential care places who are CSSA recipients in the past five years are set out below:

<i>As at end of the year</i>	<i>Numbers of CSSA recipients</i>
2009	25 210
2010	25 307
2011	25 050
2012	24 947
End September 2013	26 007

The statistics on elderly singletons aged 60 or above residing in non-subsidized care places and receiving CSSA of different standard rates according to their levels of disabilities are as follows:

<i>Levels of Disabilities</i>	<i>Number of cases as at September 2013</i>	<i>Average monthly CSSA payments for the period from October 2012 to September 2013 (\$)</i>
Elderly singletons who are able-bodied/50% disabled	2 405	4,927
Elderly singletons who are 100% disabled	8 696	5,941
Elderly singletons who are in need of constant attendance	13 037	7,693
Total	24 138	6,759

The SWD does not keep record on the number of elderly persons who apply for CSSA after being admitted to private RCHEs.

As at end September 2013, among the some 29 000 applicants on CWL for subsidized LTC services, more than 8 250 applicants were elderly CSSA recipients living in non-subsidized residential care places. The SWD will allocate services to eligible applicants in accordance with the priority of their application dates and their preferences for RCHEs. When allocating subsidized residential care places to CWL applicants, the SWD would not keep record on whether the applicants concerned are living in private RCHEs and receiving CSSA payments.

- (7) The SWD does not keep statistics on the number of elderly CSSA recipients living in private RCHEs who passed away every year and the number of them who were waiting for subsidized residential care places.
- (8) As regards the statistics on reports and prosecutions of CSSA fraud cases, the SWD does not keep a breakdown of cases related to elderly CSSA recipients who failed to report that their family members had paid part of the home fees of private RCHEs for them.
- (9) According to the information above, the average monthly CSSA payment granted to an elderly singleton who is able-bodied/50% disabled was \$4,927. According to the record of LORCHE, as at end September 2013, there were 568 private RCHEs in Hong Kong. Among them, the minimum home fees of 214 private RCHEs were higher than the aforementioned average monthly CSSA payment. The average monthly CSSA payment granted to an elderly singleton who is 100% disabled was \$5,941. The minimum home fees of 55 out of the 568 private RCHEs were higher than this average monthly CSSA payment. The average monthly CSSA payment granted to an elderly singleton who is in need of constant attendance was \$7,693. The minimum home fees of 10 out of the 568 private RCHEs were higher than this average monthly CSSA payment.
- (10) The CSSA Scheme is designed to support persons with financial hardship owing to various reasons, such as old age, disability, illness, unemployment and low income, and so on, to meet their basic needs.

Under the CSSA Scheme, elderly persons enjoy a more relaxed level of asset limit and higher standard rates when compared with able-bodied adults. A number of special grants and supplements (such as long-term supplement, special subsistence allowance and grants to cover costs of medical/rehabilitation/surgical/hygienic items) are also available to cater for special needs of elderly persons. The amounts will also be adjusted on a regular basis to maintain their purchasing power.

Furthermore, to relieve the financial burden of the elderly persons who are living in non-subsidized residential care places, the SWD has, since June 2012, introduced a monthly Residential Care Supplement of \$275 for all CSSA recipients aged 60 or above who are living in non-subsidized residential care places. The Supplement also covers CSSA recipients who are disabled or in ill-health and living in non-subsidized residential care places.

Elderly persons can flexibly use the CSSA payments and choose suitable RCHEs that meet their individual needs.

As the objective of CSSA Scheme is to provide support for needy people to meet their basic needs, the Administration will first ascertain the recognized needs of the applicant and then verify his/her deployable resources, including financial support from family members. The shortfall between the recognized needs and deployable resource would be met by CSSA.

Industrial Safety at Container Yards

21. **MISS ALICE MAK** (in Chinese): *President, in November last year, an accident occurred in Kwai Chung Container Terminals, in which a worker was crushed to death by a toppled container. Regarding industrial safety at yards for loading, unloading and storage of containers (container yards), will the Government inform this Council:*

- (1) *of the respective numbers of various types of industrial accidents at container yards, the resultant casualties, as well as the causes and the job types involved in such accidents, in each of the past five years;*
- (2) *of the respective numbers of regular and surprise safety inspections conducted by the Labour Department (LD) at container yards in each of the past five years; whether cases of inappropriate storage and stacking of containers were found during inspections; if so, of the details and follow-up actions, including whether the personnel concerned were prosecuted; if no prosecution was instituted, of the reasons;*

- (3) *whether it knows the respective numbers of safety officers stationed at various container terminals at present; of the measures, apart from inspections, taken by the authorities to monitor the storage and stacking of containers at container yards in respect of their compliance with the safety requirements promulgated by the Government;*
- (4) *whether it has provided training and safety guidelines to workers at container yards, and required them to complete the relevant practical sessions and pass the assessment before they may take up the relevant jobs and operate heavy machinery; if it has, of the details; if not, the reasons for that;*
- (5) *whether it has monitored the maintenance and repair of mechanical equipment at container yards in respect of its compliance with the relevant safety standards; if so, whether the responsible persons of container yards are required to repair or replace within a specified timespan those pieces of equipment not meeting the specifications or having a mechanical failure; if so, of the relevant requirements; and*
- (6) *whether it has any plan to review the code of practice on work safety (including the time frame for repairing or replacing equipment not meeting the specifications and the permitted stacking height of containers, and so on); if so, of the details and timetable; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to Miss Alice MAK's question is set out below:

- (1) A breakdown of the industrial accidents of container handling activities over the past five years (up to the first half of 2013) by year and type of accident is set out at Annex. The LD does not have a breakdown of these accident figures by job type.
- (2) Officers of the LD conduct inspections to container yards to monitor the operation at the workplaces and check the compliance with the occupational safety and health (OSH) legislation. Upon discovery of breaches of law, the LD would take enforcement action, including

issuing suspension notices (SN)/improvement notices (IN) and initiating prosecutions. The number of safety inspections to container yards and the enforcement figures in the past five years are set out in the following table:

<i>Year</i>	<i>Number of inspections conducted</i>	<i>Number of prosecutions taken</i>	<i>Number of SN/IN issued</i>
2009	1 986	8	2
2010	1 868	34	7
2011	1 631	13	4
2012	1 114	22	3
2013 (Up to 30 November)	1 475	37	62

With regard to prosecutions brought against the employers/proprietors of the container handling industry with summonses heard, 46 summonses were related to unsafe system of work, including improper storage and stacking of containers, unsafe use of forklift truck and ineffective traffic control, and so on.

- (3) According to the LD's record, there are a total of 15 registered safety officers employed at various container terminals.

Apart from enforcement inspections, the LD issued a Code of Practice in 2001 to the employers/proprietors of the container handling industry, providing safety guidelines on storage and stacking of containers, setting out the safety procedures for container stacking in the container yard. These include securing containers with stacking cones where necessary and ensuring close contact between the top and bottom corner fittings of containers, and adjusting the stacking height and layout of containers according to environmental factors to ensure safe operation in container yards. In addition, the LD conducts regular meetings with industry stakeholders and organizes container handling safety seminars in collaboration with the industry to enhance the safety awareness of industry players.

- (4) In accordance with the Factories and Industrial Undertakings Ordinance (FIUO) and its relevant subsidiary legislation, every person carrying out container handling in container yards should have received Mandatory Basic Safety Training (Container Handling) recognized by the LD and possess a valid certificate. Moreover, every person undertaking crane or forklift truck operation in container yards should have received recognized operator training course and possess a valid operator certificate. The LD would monitor the relevant training course providers to ensure the standard of the training courses.

In addition, the Occupational Safety and Health Training Centre of the LD organizes regular safety and health training courses for employees of the industry to enhance their understanding of the relevant legal requirements and safety awareness.

- (5) In accordance with the FIUO, the proprietor should provide and maintain a safe system of work to ensure the safety and health of the employees at work. Officers of the LD would regularly conduct inspections to container yards, monitoring the operations at the workplaces, including the operation and maintenance of machinery and equipment, in order to ensure compliance with OSH legislation. The LD would take enforcement action upon discovery of breaches of law.
- (6) In accordance with the FIUO and its relevant subsidiary legislation, the responsible persons of container yards should ensure the safe use of lifting appliances and load-shifting machineries within the container yards. Furthermore, the LD issued the "Code of Practice on Mechanical Handling Safety in Container Yards" to provide a practical guide for the responsible persons undertaking container handling to comply with the relevant legal requirements. The LD would review the standard of the safety requirements from time to time having regard to the safety conditions of container yards. In this regard, the LD has given safety advice to responsible persons of container yards on the use of lifting appliances for stacking of containers, precautionary measures to be taken under adverse weather as well as use of forklift truck, and so on.

Annex

Industrial Accidents of Container Handling Activities 2009 to 2012 and
the First Half of 2013 — Breakdown by Year and Type of Accident

<i>Type of Accident</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>1st Half of 2013</i>
Trapped in or between objects	3	3	5	2	0
Injured whilst lifting or carrying	7	4	9	11	1
Slip, trip or fall on same level	12	15	12	22	15
Fall of person from height	11	10	13 (1)	11	3
Striking against fixed or stationary object	8	5	1	6	4
Striking against or struck by moving object	13	16 (1)	12 (3)	4	6
Stepping on object	2	0	0	0	0
Contact with electricity or electric discharge	0	0	1	0	0
Trapped by collapsing or overturning object	1	0	0	0	0
Struck by falling object	0	0	0	1	0
Struck by moving vehicle	2	3 (1)	2	2	0
Contact with moving machinery or object being machined	1	0	0	0	1
Exposure to fire	1	0	0	0	1
Injured by hand tool	3	0	0	1	0
Contact with hot surface or substance	0	0	0	3	0
Others	4	13	12	5	2
Total	68	69 (2)	67 (4)	68	33

Note:

Figures in brackets denote the number of fatalities. In the whole year of 2013, there was one fatal accident case (which happened on 19 November 2013 and was classified as "Trapped by collapsing or overturning object"). The relevant injury statistics for the whole year of 2013 would be released in April 2014.

Occupational Safety of Foreign Workers Working at Construction Sites

22. **MR KWOK WAI-KEUNG** (in Chinese): *President, it has been reported that a fatal industrial accident occurred in November last year at a construction site in Yuen Long of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project. A Filipino foreign worker was suspected of being electrocuted when working inside a tunnel 30 m below the ground. In connection with the occupational safety of foreign workers working at construction sites, will the Government inform this Council:*

- (1) *of the respective numbers of foreign workers of various trades in the construction industry at present, with a breakdown by the labour importation scheme concerned;*
- (2) *of the resultant casualties of the industrial accidents which occurred at construction sites in the past three years (with a breakdown by the cause of the accident, casualty situation and trade), and among such accidents, the number and percentage of those involving foreign workers;*
- (3) *given that the Construction Workers Registration Ordinance (CWRO) (Cap. 583) prohibits unregistered construction workers from carrying out on construction sites construction work, whether this requirement applies to foreign workers;*
 - (i) *if so, of the number of foreign workers currently registered under the Ordinance, and whether any prosecution was instituted against employers who employed unregistered foreign workers in the past three years; if prosecutions were instituted, of the number of such cases;*
 - (ii) *if not, of the reasons for that, and whether it will consider bringing foreign workers under the coverage of the Ordinance;*
- (4) *whether it has required foreign workers in the construction industry to receive relevant technical training and obtain the same*

registration qualifications as local workers before they may carry out the relevant work; if it has, of the details and the regulatory regime; if not, the reasons for that; and

- (5) *whether it has any plan to conduct a comprehensive review of the existing mechanism of and requirements for foreign workers coming to Hong Kong to work in the construction industry as well as to step up inspections of construction sites; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, at present, employers in Hong Kong could apply to the Labour Department (LD) for importation of skilled workers under the Supplementary Labour Scheme (SLS). Talents/professionals of different trades could apply to the Immigration Department (ImmD) for working in Hong Kong.

My reply to Mr KWOK Wai-keung's question is set out below:

- (1) As at end of November 2013, there were 383 skilled workers imported under SLS working on construction sites in Hong Kong. A breakdown by job type is at Annex 1. The ImmD does not have information on the number of persons working in the construction sector through various admission schemes of talents/professionals to Hong Kong.
- (2) A breakdown of industrial accidents of the construction sector in the past three years (up to the first half of 2013) by year and type is set out at Annex 2. The LD does not have information on breakdown of accidents by job type. In the past three years, no notification of industrial accidents involving workers working in the construction sector imported under SLS was received. The Administration does not have information on industrial accidents involving persons working in the construction sector through various admission schemes of talents/professionals to Hong Kong.

- (3) In accordance with the CWRO, all construction workers (both local and foreign workers) carrying out construction works on construction sites shall be registered. According to the information from the Construction Industry Council, as at end November 2013, there were around 320 000 registered construction workers in Hong Kong, and among them around 1 300 were foreign workers. In the past, there was no record of violation of the relevant provisions by principal contractors or workers with regard to employment of foreign workers.
- (4) In accordance with the current requirements of CWRO, workers holding a valid certificate of Mandatory Basic Safety Training (generally known as "Green Card") issued under the Factories and Industrial Undertakings Ordinance (FIUO) and having been registered as general workers, could carry out construction works at construction sites. Upon the full implementation of the prohibiting provisions under CWRO, workers will be required to be registered as workers of related trades in order to carry out construction works of specific trades. Furthermore, under the current FIUO and its subsidiary regulations, workers undertaking designated high risk processes (including operation of cranes and various load-shifting machineries, operation of suspended working platforms, confined spaces works and gas welding works, and so on) shall have received mandatory safety training recognized by the LD. The aforesaid requirements are applicable to both local and foreign workers.
- (5) The LD safeguards the occupational safety and health of construction workers (including both local and foreign workers) through inspection and enforcement, publicity and promotion, as well as education and training. In 2013, upon conducting 61 529 inspections in the construction sector, the LD issued 1 887 suspension notices/improvement notices and would initiate 1 988 prosecutions.

Annex 1

Skilled workers working on construction sites in Hong Kong under the SLS
(as at end of November 2013)

<i>Job title</i>	<i>Number of workers</i>
1. Cellular Steel Special Piling Barge Operator	94
2. Underwater Stone Column Piling Barge Operator	68
3. High Voltage Overhead Transmission Lines Technician	55
4. Underwater Band Drain Special Barge Operator	28
5. Segment Installer	19
6. Grouting Man	18
7. Underwater Geotextile Special Working Barge Operator	13
8. Tunnel Fitter	11
9. Electrician	10
10. Stevedore	7
11. Segment Loader	6
12. Trackman	6
13. Tunnel Miner	5
14. Electromechanical Technician	5
15. Mechanic	5
16. Tunnel Jumbo Operator	4
17. Track Battery Truck Driver	4
18. Safety Supervisor	4
19. Foreman	3
20. Backman	3
21. Tunnel Mechanic	2
22. Tunnel Shotcrete Robot Operator	2
23. Tunnel High Pressure Grouting Operator	2
24. Construction Team Leader	2
25. Welder	2
26. Tunnel Haggloader Operator	1
27. Foreman of Mechanical Maintaining Shift	1
28. Prime Tunnel Boring Machine Driver	1
29. Assistant Tunnel Boring Machine Driver	1
30. Surveying Technician	1
Total:	383

Industrial Accidents in Construction Industry
in 2011, 2012 and the first half of 2013
- Breakdown by Type of Accident and Year

<i>Type of Accident</i>	<i>2011</i>	<i>2012</i>	<i>First Half of 2013</i>
Trapped in or between objects	106 (1)	114 (1)	52
Injured whilst lifting or carrying	605	519	208
Slip, trip or fall on same level	634	719	366
Fall of person from height	390 (10)	423 (12)	201 (2)
Striking against fixed or stationary object	279	293 (1)	131
Striking against or struck by moving object	522 (3)	548 (2)	268
Stepping on object	29	18	4
Exposure to or contact with harmful substance	20	20	3
Contact with electricity or electric discharge	6 (2)	17 (7)	5
Trapped by collapsing or overturning object	8 (2)	6	2
Struck by falling object	73 (3)	56	23
Struck by moving vehicle	13	12	9
Contact with moving machinery or object being machined	216	234	93
Drowning	1 (1)	0	0
Exposure to fire	11	7	3
Exposure to explosion	9 (1)	4	4
Injured by hand tool	116	95	40
Injured by fall of ground	1	4 (1)	0
Contact with hot surface or substance	20	22	5
Injured by animal	2	0	0
Others	51	49	22 (1)
Total	3 112 (23)	3 160 (24)	1 439 (3)

Note:

Figures in brackets denote the number of fatalities.

BILLS**First Reading of Bills**

DEPUTY PRESIDENT (in Cantonese): Bill: First Reading.

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2013

CLERK (in Cantonese): Inland Revenue (Amendment) (No. 3) Bill 2013.

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

Second Reading of Bills

DEPUTY PRESIDENT (in Cantonese): Bill: Second Reading.

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2013

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, I move the Second Reading of the Inland Revenue (Amendment) (No. 3) Bill 2013 (the Bill).

The Bill seeks to achieve two objectives. First, to reduce the profits tax rate of captive insurers by half for their business of insurance of offshore risks. Second, to raise the deduction ceiling for contributions made by employees or self-employed persons to recognized retirement schemes.

Captive insurance is a form of self-insurance by companies which underwrites insurance of risks of the companies within the same group to which the captive insurer belongs. A company may wish to set up a captive insurer to provide coverage of specific risks that is not readily available in the market. As a captive insurer can operate with a lower overhead (for example, no marketing expenses and commission to insurance intermediaries), it may charge a lower premium and the parent company can also share the underwriting profits of the captive insurer.

In comparison with other regions, utilization of captive insurance as a risk management tool in Asia remains low. We hope to promote further development in captive insurance through tax concessions, so as to reinforce Hong Kong's status as a regional insurance hub. Attracting companies to set up captive insurers in Hong Kong to form a cluster will help the development of other related businesses, including reinsurance, legal and actuarial services, making Hong Kong's risk management services more diversified, which will in turn enhance our status as an international financial centre.

(THE PRESIDENT resumed the Chair)

A note-worthy development is that the State Council promulgated in June 2012 that the Central People's Government would "encourage Mainland enterprises to form captive insurers in Hong Kong to enhance their risk management". This measure will foster co-operation between the Mainland and Hong Kong. Under the supportive policy of the Central People's Government, Hong Kong's potential in this area will be enhanced.

To develop this potential to the full, the Financial Secretary has proposed in the 2013-2014 Budget to reduce the profits tax of captive insurers for their business of insurance of offshore risks such that they will be charged one-half of the normal corporation tax rate of 16.5%. Subject to the passage of the Bill in the Legislative Council, the tax concession will take effect as from the beginning of the 2013-2014 tax year.

Furthermore, on commencement of the increase of the maximum relevant income level under the Mandatory Provident Fund Schemes Ordinance from \$25,000 per month to \$30,000 per month from 1 June 2014, the Bill proposes to correspondingly raise the deduction ceiling for contributions to recognized retirement schemes from \$15,000 to \$17,500 for the 2014-2015 year of assessment, and \$18,000 from the 2015-2016 year of assessment onwards.

President, I look forward to Members' support for the Bill so that this measure to promote the development of captive insurance can be implemented early, thereby allowing employees and self-employed persons to readily enjoy a higher tax deduction.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2013 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.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. There are a total of six Members' motions for this meeting.

PRESIDENT (in Cantonese): First Member's motion: Mr Andrew LEUNG will move a motion under Rule 49E(2) of the Rules of Procedure to take note of the Fugitive Offenders (Czech Republic) Order, which was included in Report No. 8/13-14 of the House Committee laid on the Table of this Council.

PRESIDENT (in Cantonese): According to the relevant debating procedure, I will first call upon Mr Andrew LEUNG to speak and move the motion, and then call upon the chairman of the subcommittee formed to scrutinize the relevant item of subsidiary legislation, Mr James TO, to speak, to be followed by other Members. Finally, I will call upon the public officer to speak. The debate will come to a close after the public officer has spoken, and the motion will not be put to vote.

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

I now call upon Mr Andrew LEUNG to speak and move the motion.

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

MR ANDREW LEUNG (in Cantonese): President, in my capacity as Chairman of the House Committee, I move under Rule 49E(2) of the Rules of Procedure that the motion, as printed on the Agenda, be passed. Members are going to

debate on the Fugitive Offenders (Czech Republic) Order, which was included in Report No. 8/13-14 of the House Committee.

President, I so submit.

Mr Andrew LEUNG moved the following motion:

"That this Council takes note of Report No. 8/13-14 of the House Committee laid on the Table of the Council on 8 January 2014 in relation to the subsidiary legislation and instrument(s) as listed below:

<u>Item Number</u>	<u>Title of Subsidiary Legislation or Instrument</u>
(1)	Fugitive Offenders (Czech Republic) Order (L.N. 166/2013)."

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

MR JAMES TO (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Fugitive Offenders (Czech Republic) Order, Mutual Legal Assistance in Criminal Matters (Spain) Order and Mutual Legal Assistance in Criminal Matters (Czech Republic) Order, I now highlight the major deliberations on the Fugitive Offenders (Czech Republic) Order (the FO Order).

The FO Order directs that the procedures in the Fugitive Offenders Ordinance (FOO) for the surrender of fugitive offenders (SFO) shall apply between Hong Kong and the Czech Republic.

The Subcommittee notes that the FO Order departs from the approach of setting out the list of extraditable offences in the SFO agreements. Therefore, members are concerned that it will be very difficult for members of the public to know from the text of the agreement the types of offences for which fugitives may be surrendered.

The Administration has explained that a number of the negotiation partners, particularly some European countries, have indicated that the approach

of setting out a list of offences for which surrender may be granted in the SFO agreements is incompatible with their domestic laws and practices. Owing to such differences, a number of negotiations had been stalled. In order to move forward these negotiations and to conclude the agreements, the Administration has, after consulting the Panel on Security in 2005, adopted an alternative formulation where necessary in subsequent negotiations. Under the alternative formulation, it does not require a list of offences to be listed in the SFO agreement, but a statement in the agreement of the requirement that surrender should only be granted for offences for which surrender is permitted under the laws of both parties, and which carries penalty beyond a certain level, and that the parties should provide each other with a list of the offences for which surrender would be granted before the entry into force of the agreement.

While acknowledging — I would say barely understanding — the rationale for adopting the alternative formulation, members are of the view that the agreement between Hong Kong and the Czech Republic is the first SFO agreement to adopt the alternative formulation. Members comment that the Administration should publicize a list of the offences for which surrender would be granted by the parties under the agreement. In response to members' concern, the Administration will publicize the lists of offences to be exchanged with the Czech Republic through Government notice in the Gazette and the Department of Justice's website for public viewing. In future, when the Administration is to submit to the Legislative Council orders made under the FOO which adopt the alternative formulation, it would invite the contracting partners to exchange the lists beforehand and submit them together with the orders to the Legislative Council for consideration in one go.

Moreover, since the FO Order will come into operation on a date to be appointed by the Secretary for Security by notice published in the Gazette, as a next step, the Administration has undertaken to provide the Legislative Council with the respective lists of offences, to be exchanged under Article 3(2) of the Agreement, when or before the commencement notice for the FO Order is gazetted. Members may consider whether there is a need to form a subcommittee to study the commencement notice in detail.

Members consider the Administration's proposal acceptable. The Subcommittee raises no objection to the FO Order, and will not move any motion to repeal it.

President, the following is my personal opinion.

President, I would like to talk about history first. In 2005 when the Government consulted the Legislative Council Panel on Security, we pointed out at the meeting that the Government had not clearly informed Members that a list would not be included under the alternative formulation. Having said that, will a list really not be included? As a matter of fact, there is a list, but it will not be included in the agreement to be entered into, and a list of the offences for which surrender would be granted will only be exchanged at the next stage. Does that imply that a list will not be available? There is a list but it will not be included when the agreement is entered into.

Honestly speaking, after listening to the Government's explanations. I certainly understand that the Government would rather fight for a greater chance to conclude an agreement and it will provide a list for Members' consideration at the next stage. Nevertheless, if we find something wrong before the commencement date, we should simply not approve the commencement. But I still find it difficult to understand why a list cannot be included in the agreement to be entered into. This is the first time the Czech Republic is involved and the Government will later exchange documents with the Czech Republic. Is there a list? We will later have a clear picture. In retrospect, I can only say that the best and the most satisfactory approach of the Government is to withdraw this order, and submit it to the Legislative Council after the Administration and the Czech Republic have exchanged documents and the lists for consideration. This is the best approach. However, the Government certainly thinks that, since the approval of the Central Government has been sought and the agreement has been submitted to the Legislative Council for consideration, if the agreement is suddenly withdrawn, the Government may lose face, and procedure-wise, it does not know how an account can be given. Therefore, Members are going to make things convenient for the Government. Yet, I would like to state that this should not be taken as a precedent and the Government should not think that this approach can be adopted again in the future.

Lastly, I think and strongly propose that, when we deal with the commencement date for the FO Order next time, we should set up a subcommittee to carefully examine whether the documents exchanged are in compliance with our laws and various procedures, as well as the past practices.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now call upon the Secretary for Security to speak.

SECRETARY FOR SECURITY (in Cantonese): President, I would like to thank the Chairman and other members of the Subcommittee for their detailed deliberations on the Fugitive Offenders (Czech Republic) Order (the FO Order) and their valuable views.

All along, Hong Kong has fully supported mutual legal assistance among countries and we have been committed to working with other jurisdictions in fighting crime. According to the Basic Law, with the authorization of the Central People's Government, Hong Kong may make bilateral agreements with other jurisdictions on the surrender of fugitive offenders (SFO). These agreements can effectively prevent offenders from absconding to foreign places to evade judicial adjudication. The SFO agreement signed between Hong Kong and the Czech Republic in March 2013 is the 19th similar agreement signed between Hong Kong and other jurisdictions. The FO Order is made under section 3(1) of the Fugitive Offenders Ordinance (FOO), and it provides a legal basis for the SFO agreements signed between Hong Kong and the Czech Republic.

I thank the Chairman of the Subcommittee for his remarks, which mainly expressed concern for the listing of offences for which surrender may be granted in the FO Order. My reply is as follows:

The FO Order sets out the legal protection for the SFO under the FOO. Such protection includes: the act must be an offence punishable under the laws of both parties, that is, the principle of double criminality as is generally called; the same act cannot be tried a second time; a request for surrender cannot be made for the purpose of prosecution on account of race, religion, nationality or political opinions; a person should not be surrendered to a third jurisdiction and a person should not be surrendered if he can be punishable with death penalty. These

protection provisions specify that the SFO agreements entered between Hong Kong and the Czech Republic are applicable to all future SFO cases between Hong Kong and the Czech Republic.

In the course of the Subcommittee's discussions, members are concerned that the lists of extraditable offences are not set out in the SFO agreement between Hong Kong and the Czech Republic. Instead, it is set out that each Contracting Party shall provide to the other a list of the offences for which surrender may be granted under its law. This departs from the approach of similar previous agreements.

The SFO agreement between Hong Kong and the Czech Republic adopts an alternative formulation, which does not require the lists of offences to be listed in the SFO agreement. This approach is adopted because the Czech Republic and other negotiating partners expressly expressed at the negotiation stage that they could not agree to the approach of setting out the lists of offences for which surrender may be granted in the SFO agreements, as it was incompatible with their domestic laws and practices. Owing to such differences, the negotiations between Hong Kong and a number of countries had been stalled. In order to move forward these negotiations and to conclude the agreements with a view to widening Hong Kong's international network in combating crimes, the Administration had, after consulting the Legislative Council Panel on Security in June 2005, adopted an alternative formulation where necessary in subsequent negotiations, which is also in line with international trends of development of similar agreements. The agreement between Hong Kong and the Czech Republic is the first SFO agreement to adopt the alternative formulation.

I must stress that the adoption of the alternative formulation is just another way of presentation of the offences for which surrender may be granted, and the alternative formulation is in full compliance with the provisions of the FOO concerning these offences. The FOO explicitly provides the categories of offences for which surrender may be granted in Hong Kong, and that the offences are punishable in Hong Kong with imprisonment for more than 12 months, or any greater punishment. Moreover, the FO Order must fulfil the requirement of double criminality. The agreements adopting the alternative formulation fully retain these statutory requirements but the offences for which surrender may be granted are expressed in a different way. Therefore, the adoption of the

alternative formulation does not change Hong Kong's rights or obligations with respect to SFO under the agreement.

In adopting the alternative formulation, we agree that, for the sake of clarity, we should publicize the lists that the parties exchanged. After exchanging the lists of offences with the Czech Republic, we plan to publicize the lists through Government notice in the Gazette and the Department of Justice's website for public viewing. It will also provide the Legislative Council with the respective lists of offences when or before the commencement notice for the FO Order is gazetted.

In future, when the Administration is to submit to the Legislative Council orders made under the FOO which adopt the alternative formulation, it would invite the contracting partners to exchange the lists beforehand and submit them together with the orders to the Legislative Council for consideration in one go.

President, the signing of SFO agreements between the Hong Kong SAR and other regions is an advantage that we enjoy under "one country, two systems" and the Basic Law, which helps bring Hong Kong's practice in line with international standards and encourages joint efforts to combat crime. These agreements comply with the provisions of the FOO, and the FO Order is no exception. I thank Members again for the efforts they made to scrutinize the FO Order. Thank you, President.

PRESIDENT (in Cantonese): The debate has come to a close. In accordance with Rule 49E(9) of the Rules of Procedure, the motion shall not be put to vote.

PRESIDENT (in Cantonese): Second Member's motion: Proposed resolution under Article 75 of the Basic Law.

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

I now call upon Mr IP Kwok-him to speak and move the motion.

PROPOSED RESOLUTION UNDER ARTICLE 75 OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

MR IP KWOK-HIM (in Cantonese): President, I move in the capacity as Chairman of Committee on Members' Interests (CMI) the proposed resolution on amendments to Rule 83(5) of the Rules of Procedure (RoP) of the Legislative Council as printed on the Agenda to tie in with the commencement of the new Companies Ordinance (Cap. 622).

The Council enacted the new Companies Ordinance on 12 July 2012. Most provisions of the new Companies Ordinance will commence on 3 March this year. As the commencement of the new Ordinance will make Rule 83(5)(a) and (h) of the RoP inoperable, amendments to such Rule are necessary.

Under Rule 83(5)(a) of the RoP, Members are required to register their remunerated directorships of public or private companies, and if the company concerned is a subsidiary of another company, to also provide the name of that other company. Rule 83(5)(a) has invoked the reference to the term "subsidiary" in the existing Companies Ordinance. However, the new Companies Ordinance has adopted an alternative drafting approach in that the meaning of "holding company" is defined first, followed by the definition of the meaning of "subsidiary" by reference to the term "holding company". As such, the CMI proposes to amend Rule 83(5)(a) of the RoP by changing the reference to "subsidiary" in the rule to the reference to "holding company".

On the other hand, under Rule 83(5)(h) of the RoP, Members are required to register their beneficial interest if they have shares of a nominal value greater than one-hundredth of the issued share capital of a company. Under the new Companies Ordinance, no nominal value for the shares is provided. It is therefore necessary to amend Rule 83(5)(h) as it contains a reference to the term "nominal value". The threshold for register is to be amended from "a nominal value greater than one-hundredth of the issued share capital" to "a number greater than one-hundredth of the total number of issued shares."

I must point out that the above two proposed textual amendments will have no impact on the existing scope of registrable interests of Members.

The CMI consulted the Committee on Rules of Procedure and the House Committee on 12 November and 13 December respectively. The proposed amendments were supported by the two Committees.

Should the motion on the amendments be passed by this Council, consequential amendments are required to be made to the relevant pages of the Registration Form on Members Interests. Under Rule 83(1) of the RoP, the revised Form will be submitted to the President for approval.

President, I so submit and implore Members to support the motion.

Mr IP Kwok-him moved the following motion:

"RESOLVED that the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region be amended as set out in the Schedule with effect from the day on which Part 4 of the Companies Ordinance (Cap. 622) comes into operation.

Schedule

Amendments to Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region

1. **Rule 83 amended (registration of interests)**

(1) Rule 83(5)(a) —

Repeal

everything after "the company concerned" and before "company;"

Substitute

"has a holding company within the meaning of section 13 of the Companies Ordinance (Cap. 622), also the name of that holding".

(2) Rule 83(5)(h) —

Repeal

everything after "a beneficial interest in"

Substitute

"shares of a number greater than one-hundredth of the total number of issued shares."."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr IP Kwok-him be passed.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr IP Kwok-him be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Third Member's motion: Proposed resolution under The Legislative Council Commission Ordinance.

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

I now call upon Mr Andrew LEUNG to speak and move the motion.

PROPOSED RESOLUTION UNDER THE LEGISLATIVE COUNCIL COMMISSION ORDINANCE

MR ANDREW LEUNG (in Cantonese): President, in my capacity as Deputy Chairman of The Legislative Council Commission (the Commission), I move a motion under section 17(2) of the Legislative Council Commission Ordinance, as printed on the Agenda, to enable Members to debate LCC's use of social media websites to share information contained in records of the proceedings of the Legislative Council for the purpose of enhancing the public dissemination of such information.

In recent years, people are spending more time on the Internet using traditional computing devices as well as smartphones, tablet computers and other mobile devices, and these online improvements have been well received by the public. In fact, a number of Legislative Council Members have been utilizing the online content provided by this Council, and using video and picture sharing sites as well as other social media platforms to enhance communication and interaction with their constituents. Furthermore, overseas legislatures such as the United Kingdom Parliament, the United States Congress as well as the Canadian and Australian Parliaments, are very proactive in using mobile applications (Apps) and online media to reach out to the public.

In recent years, much effort has been spent by the Legislative Council Secretariat (the Secretariat) in enhancing the Council's online channels of communicating with the public, including revamping the Legislative Council Website and introducing live and recorded webcasts of meetings. However, the online platforms developed by this Council are obviously inferior to those of the more technically savvy overseas legislatures. In response to emerging online trends, the Commission considered it necessary to make documents, video recordings of meetings, photos of events and activities and other information already available on the Legislative Council Website and Legislative Council Webcast available via Apps, as well as popular video and picture sharing sites, so as to enhance this Council's online presence as well as to facilitate Members' own online activities.

In considering such an arrangement, the Commission has not only made reference to the use of online media by overseas legislatures to reach out to the public, with particular reference to the experience of the United Kingdom's House

of Commons, it has also carefully examined the legal issues relating to the use of such services raised by the Secretariat's Legal Service Division (LSD). They include:

- (a) issues relating to ownership of copyright in the materials to be included in the Legislative Council Apps and uploaded to YouTube and Flickr;
- (b) the implications for the Legislative Council and the Commission as copyright owners for granting to the service providers licences relating to the use, reproduction, distribution, and so on, of the content provided by the Legislative Council and the Commission;
- (c) potential legal liabilities for distributing webcast and videos of Council proceedings through Apps and YouTube; personal data privacy issues relating to information contained in Members' contact directory proposed to be included in the Legislative Council Apps, and
- (d) the application of foreign laws to the registration agreements and the requirement for parties to submit to the exclusive jurisdiction of a foreign court to resolve legal matters arising from the agreements.

After considering the potential risks involved in the relevant legal issues as well as the benefits of using the Apps and the social media, the Commission agreed to launch the Legislative Council Apps to disseminate Legislative Council calendar, Members' contact directory and Legislative Council's photo gallery. It will also set up a YouTube channel for posting video records of meetings of the Council, and set up a Flickr account for posting photos of Members' official events and activities. These can be regarded as the first step to reach out to the public using enhanced online media. To preserve the integrity of meeting records, meeting videos will be uploaded in their entirety to YouTube, but the Secretariat will not respond to any comment or message posted via the Legislative Council Apps or social media.

Furthermore, given that the dissemination of the Council's proceedings through social media websites involves the use of third-party websites, and the service providers of the social media websites may edit the uploaded content,

therefore the Commission must maintain and manage the Legislative Council Website and Legislative Council Webcast as the official and reliable channels for disseminating information of the Legislative Council.

If this Council supports today's motion, the Commission will review on the use of the Legislative Council Apps and social media one year later, and consider establishing a website in other social media platforms, such as Facebook, Twitter and Weibo, according to the experience gained in the course of it and the resources available.

Given that the use of social media websites involves the dissemination of the Council's proceedings through third-party websites over which the Legislative Council or the Commission would have little control, the Commission thus considered that it would be prudent to seek the endorsement of the Council of this proposal through a debate on a proposed resolution. The wordings of the present resolution are pretty neutral, so as to enable the Commission to use social media websites to share information contained in records of the proceedings of the Council for the purpose of enhancing public dissemination of such information. Members may refer to the report submitted by the Commission to this Council today, which has set out the relevant legal issues raised by the LSD of the Secretariat. The number of the paper is LC Paper No. AS 59/13-14.

On the other hand, the Commission considered that users of social media websites should be alerted by a notice to the potential risks involved, such as legal liability arising from infringement of third party copyright, and to seek their own legal advice, if necessary, when they redistribute meeting videos and photos on Legislative Council YouTube channel and Flickr account. The Disclaimer and Copyright Notice currently posted on the Legislative Council Website will be suitably adopted for posting on and uploading to Legislative Council Apps and social media websites.

As the development of Legislative Council Apps merely involves the transfer of some of the existing data from the Legislative Council Website to the Legislative Council Apps and the service providers for the Legislative Council Apps will not edit the contents of the data so transferred, the legal risks to be borne should be less. Therefore, the Secretariat has signed the registration agreements with the service providers, and it is expected that the Legislative Council Apps will be formally deployed for use by the public in early 2014.

The Secretariat earlier conducted four briefing sessions to demonstrate the operation of the Legislative Council Apps, the Legislative Council YouTube channel and the Legislative Council Flickr account to Members and their staff. A total of three Members and 40 Members' staff attended the briefings. They in general welcomed these proposed new initiatives as they provided user-friendly platforms for Members and their staff to access and share information of this Council. Some Members' staff suggested including the Legislative Council Webcast and voting results in the Legislative Council Apps, and videos of committee meetings in the Legislative Council YouTube channel.

Also, Members discussed the Commission's proposal at the House Committee meeting held last Friday. I noticed that some Members had expressed concern over the legal issues relating to the relevant proposal, for instance, the protection accorded under the Legislative Council (Powers and Privileges) Ordinance to Members against legal proceedings instituted in Hong Kong for words spoken before the Council or committees when videos of Council proceedings were posted on certain social media websites; and the copyright issues involved in the redistribution of meeting videos and photos on the Legislative Council Website. Nonetheless, the majority of Members considered that the use of social media websites might enhance the dissemination of information of the Legislative Council, and thus agreed to the proposal of this resolution at today's Council meeting.

The following are my personal views.

President, more and more people, especially the younger generation, like to share their webpages using the social networking websites. Many colleagues in this Council are using the social networking websites to communicate with their constituents as well as share their views and recent updates, especially the opinions expressed in respect of Legislative Council questions, bills and motions. It has also been a longstanding practice for media organizations to use the video clips of Members speaking at the meetings of this Council, and so far no legal problems have arisen. I therefore support today's motion.

Many countries in this world are using Apps and social media websites, such as YouTube, Flickr, Facebook and Twitter, to reach out to the public, and have achieved good results. I therefore strongly support the Legislative Council to reach out to the public through these means. Any form of re-publication involves copyright issues, but there is no relevant precedent cases in Hong Kong

so far. In 2009, the United Kingdom had studied the copyright issue concerning the uploading and re-publication of video clips of Members' speeches. After discussion, both the House of Lords and the House of Commons agreed to allow video clips of Members speaking at the Parliament to be uploaded to social media, and sometimes hyperlinks of different social and sharing websites are also provided. In fact, I have visited the parliamentary websites of a number of British Commonwealth countries, such as Canada, Australia and New Zealand, and found that they have also provided the relevant links.

Judging from people's need to access to the contents of speeches made by Legislative Council Members through various channels, and the fact that other parliaments are also reaching out to the public in the same way without causing any problem, I therefore maintain my support for the present proposal to enhance the public dissemination of such information using social networking websites.

With these remarks, President, I hope that Members will support this motion.

Mr Andrew LEUNG moved the following motion:

"RESOLVED that this Council directs The Legislative Council Commission to use social media websites to share information contained in records of the proceedings of the Council for the purpose of enhancing the public dissemination of such information."

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

MS CYD HO (in Cantonese): President, I speak in support of the adoption of the measures to upload videos of Council proceedings to social networking websites, so as to enable members of the public to witness the operation of this Council. In order for a parliament to be truly accountable to the public, its operation must be open and transparent. Although the composition of this Council is undemocratic both in terms of the structure and law, the operation of its software is nonetheless more advanced than legislatures returned by "one-person-one-vote".

An example is that visitors from Taiwan envied us very much. They told us that members of the public would be denied entry into the Legislative Yuan to observe the proceedings if no reservation of seats has been made. Even if reservation has been made, no visitors are allowed to directly observe the proceedings but can only meet the legislators inside the building. I did have a personal experience. I once visited Taipei and went to observe the meetings of the Legislative Yuan after finishing my personal businesses, thinking that I would be admitted by producing my passport. I was nonetheless denied. Contrarily, for Hong Kong's Legislative Council, more than 90% are open meetings available for live broadcast by the media and visitors are welcomed to observe the proceedings. Only such a system can truly enable democratic participation of the public.

My Taiwan friend also told me the reason for the fights among members of the Legislative Yuan. Generally speaking, meetings of the Legislative Yuan are not opened to the public. The meetings would nonetheless be suspended whenever a fight broke out, during which filming equipment could be brought inside. This is why fights seem so common for the Legislative Yuan. Worse still — President, you may feel blessed to be the President here in Hong Kong — when members started a fight in the Legislative Yuan, the President WANG Jin-pyng might be locked up in a store room for a couple of hours before he was freed. They are indeed so broad-minded that no one has reported to the police. This precisely shows us that the more open and transparent a legislature is, the fewer the irregularities will be under public supervision and pressure.

Some public bodies in Taiwan also told me that they were unable to monitor the actual performance of various political parties and members in the Legislative Yuan. They feared that the various political parties and affiliations and Members might appear to be tough and sympathetic outside the Yuan, but adopt a compromising attitude inside the Yuan. This is why the open and transparent operation of Hong Kong's legislature is the envy of people from different places, including the European countries. When Members of the German Parliament visited us, they were very surprised to see that over 90% of the meetings of Hong Kong's Legislative Council are open because in Germany, a country which attaches great importance to the democratic system and public supervision, has also failed to do so.

Both the meetings and documents of the Legislative Council are open and transparent. Since the introduction of direct election, many documents

(including the records of meetings) have been uploaded. The Archives has also been established to upload previous documents to the website. But since these records are in text form, not many people have the patience and time to read them through. If we can upload video of the question sessions and Members' speeches in their entirety to the website, this will definitely facilitate ordinary citizens' supervision of our work.

As a matter of fact, before the Legislative Council Secretariat (the Secretariat) adopts such measures, many colleagues (including me) have already uploaded videos of our speeches and work at Council meetings to YouTube. President, honestly speaking, as I do not have any talent in drama and cannot make speeches in a dramatic way, the hit-rate is generally low. It would be pretty good to have a hit-rate of over 200. There were occasions that even in the absence of dramatic performance, the hit-rate of video clips of speeches on current issues lasting only 10 or 15 minutes might reach as high as 100 000 as a result of netizens' recommendation. This is because the contents of the relevant speeches have provided concrete information for people to better understand the circumstances leading to the incident. Of course, the hit-rates of video clips of speeches made by other colleagues are much higher. People who have the habit of surfing the Internet can certainly keep a close tab on the pulse of the legislature if they are willing to spend 10 to 20 minutes more each day.

I therefore strongly support the provision of such services by the Legislative Council to the public. Members, including me, will certainly upload video clips showing our own work and will not arbitrarily upload video clips of other Members' speeches, so as to avoid the misunderstanding that I expose "black materials" of other Members. But if Members only upload video clips of their own work, it would be incomprehensive as the same issue can be analysed from different perspectives and angles. Sometimes when I speak or ask questions, I may make some silly mistakes, and sometimes I feel hesitate to upload such video clips of myself. Of course, I finally decide to upload the video clips in their entirety. Nonetheless, for the sake of integrity, objectivity and neutrality, the Secretariat should be tasked to upload videos of Council meetings as this would be more convincing. In so doing, people can see why Members from different political parties and affiliations support or oppose the issue under discussion. There will be no cause for worry if Members would only upload video clips showing how mighty they are, but deliberately hide up video clips depicting their poor performances.

If the Secretariat is tasked to provide the overall services, this would facilitate the work of editing and help reduce the workload of the staff of individual Member's Office. As Member's Offices do not have much resources, they cannot afford to engage the relevant professionals. Hence, if the work is handled by the Secretariat, this will certainly achieve economic benefits. While this is worth doing, is there nothing that we should pay attention to? No, because it definitely involves some legal issues. The existing laws may not catch up with the state-of-the-art information technology or cater for the need for open and transparent meetings. Moral right is an example. If video clips are to be uploaded to the social networking websites, we must be prepared for parody. Once the video clips are made public, they become public property. Video clips of Members may then appear in the form of parody, being vigorously promoted or even exaggerated by netizens supporting or opposing them, which is indeed expected. Worse still, Members are pretty concerned if the video clips will be turned into obscene and indecent articles.

I remember that when the old Legislative Council Building was still in use, the Legislative Council Commission once discussed the taking of wedding photos by members of the public in front of the Building. Members worried that apart from wedding photos, people might also take photos that tarnish the reputation of the Legislative Council. At that time, Members held that before the occurrence of such incidents, we should still facilitate the public by all means and a review should only be conducted when similar cases actually happened.

Another concern is the protection given to Members under the Legislative Council (Powers and Privileges) Ordinance (the P&P Ordinance). Since speeches made in this Council are protected under the P&P Ordinance, Members can tell the truth in this Council without fearing of being sued for defamation. I recall that, for example, when we discussed Hong Kong Television Network Limited's application for television licence in this Council a few week ago, Mr SIN Chung-kai had quoted the remarks made by Ricky WONG. Should we not have the protection of the P&P Ordinance, Members may not be able to talk in such carefree manner. But if the videos that are deemed to contain defamatory content are uploaded to the social networking websites, will the person have immunity for the redistribution of these videos? Therefore, the copyright of websites and provisions of the Disclaimer must be clearly set out. If not, innocent netizens may commit an offence by repeatedly redistributing, uploading or downloading questionable contents, to which we are responsible to a large

extent. Regarding the service of uploading videos, I call on the Secretariat and the Legal Adviser to be very cautious in respect of the Disclaimer.

The third concern is, as the uploading of videos by the Secretariat has provided convenience, will this induce those hyper-active Members to challenge the rules, given that the convenience in video distribution will enable them to be more widely available? The remedy will be the introduction of administrative measures. The existing practice of the Legislative Council's handling of videos is that, when Members challenge the rules in a meeting, broadcast of the meeting will be suspended. Thus, the work under discussion will not in any way encourage challenge against the rules. Nor will the uploading of video encourage such acts. Nonetheless, business or media organizations are duty-bound to make the live broadcast. Noting that the Legislative Council has declared not to publish video clips showing Members challenging the rules, the media must have their filming equipment ready. Or else, they will fail to fulfil their due responsibilities to report everything that happens in this Council.

President, I am very grateful to the Legal Adviser for providing examples of the United Kingdom Parliament for our reference. When the existing Copyright Ordinance or other ordinances are unable to address the relevant concerns, it would be most responsible for us to handle it by way of a motion, which will be tabled at this Council for a decision. The United Kingdom also handled the matter in this way. Will all our concerns turn out to be real in the end? President, it all depends on whether Members can acquit themselves well in this Council. No matter how much legal protection is offered to Members, so long as they do not respect this Council or the systems or overall performance of this Council fail to earn the respect of Members, challenges of the rules will not stop. Making the more videos available to the public will facilitate public supervision and people can then see for themselves if the behaviour of certain Members are acceptable or not. I hope that the relevant services will enhance public participation in the monitoring of the Council's operation, thereby indirectly enhancing the quality of this Council.

Furthermore, the Secretariat will roll out a number of new initiatives to its webpage to facilitate public supervision. The attendance rates of Members at various meetings is an example. Unlike the usual practice of local bodies which compile statistics only once a year, it is learnt that the attendance rates of Members at various committee and bills committee meetings will be published on

the same day or about once a week. I hope this will serve as a good alarm bell to Members so that we will remain vigilant in our performance at all time.

Thank you, President.

MR MARTIN LIAO (in Cantonese): President, the justification of the present proposal put forward by The Legislative Council Commission (the Commission) to disseminate information of the Council proceedings using social media websites is to enhance the accessibility and dissemination of information of the Legislative Council, thereby facilitating public inspection. Given that the sharing of information using social networking websites is currently the major trend, some people considered this proposal innocuous and might help arouse people's interest in Council businesses. However, many people have neglected the risk of legal action that the relevant initiatives may bring to this Council, Members and members of the public, as well as the implication on the freedom of speech inside the Council. As a matter of fact, the Commission and the Legal Adviser of this Council have admitted the legal risks and possible consequences associated with this proposal. Also, the arrangement for the Commission to move a motion reflects that both the Commission and the Legislative Council Secretariat (the Secretariat) are not confident in face of the risk of legal action, hoping that this Council could affirm and assume the responsibility. Noting that this Council has established its official website to disseminate information of all meetings, members of the public are already provided with the absolute right to know. Should we impose such risks on all Members and the general public and push them into a legal trap by taking the initiative to further upload information that are readily available in the Legislative Council Website to the social networking websites? Concerning this question, I have the following concerns.

Firstly, speeches made by Members in this Council are protected under the Legislative Council (Powers and Privileges) Ordinance (the P&P Ordinance), thus Members' freedom of speech in this Council are safeguarded by way of protection against liability. However, after the contents of meetings are redistributed to the social networking websites, Members may no longer be protected by the P&P Ordinance and will possibly be exposed to the risk of legal action. In fact, the Legal Adviser of this Council has also frankly admitted that no accurate legal advice could be given on this matter as there is no precedent that Members' speeches redistributed to the social networking websites are still

protected by the P&P Ordinance. This issue could possibly be settled by the enactment of laws or court judgments in future.

In other countries, the judgment handed down by the Privy Council of the United Kingdom in 2004 regarding the New Zealand case of *BUCHANAN v JENNINGS* serves as an important reference. A Member of the New Zealand Parliament, Owen JENNINGS, had allegedly made a defamatory statement about the plaintiff during a meeting and subsequently confirmed his defamatory statement during a press interview outside the Parliament. The Privy Council finally ruled that the Member's statement of confirmation made outside the Parliament was an effective repetition of his defamatory statement made inside the Parliament, and was therefore not covered by parliamentary privilege.

President, the judgment had caused a storm of controversies and repercussions in New Zealand at that time, and the New Zealand Privileges Committee immediately expressed concern over the judgment, worrying that this would have a "chilling effect" on debate inside the Parliament, thereby dealing a blow to the privilege enjoyed by Members to speak freely inside the Parliament. Some Members had even rejected to submit themselves to media interviews on their speeches made inside the Parliament. This has, to a certain extent, dealt a blow to the freedom to comment on politics inside the Parliament. By the same token, the Secretariat has confirmed that Members will not be protected by the P&P Ordinance for the re-publication of speeches made in the Legislative Council to the social networking websites. I am worried that the original intent to protect Members' freedom to comment on politics under the P&P Ordinance will be undermined. If the protection under the P&P Ordinance cannot be extended to cover social networking websites from the legal perspective, it will just exist in name and therefore blatantly deal a blow and undermine the freedom of speech, the freedom of making comments on politics inside this Council, as well as the function to monitor the Government and society.

Secondly, netizens will be exposed to the risk of defamation claims by redistributing videos as they may not necessarily enjoy the defence of "qualified privilege". Generally speaking, "qualified privilege" is used to protect freedom of the press enjoyed by the media. Ordinary people who would like to invoke such a defence under the common law, should prove that the dissemination of information is an act to perform its legal, social or moral functions owed to their communication target, who also has similar interests or responsibilities to receive the relevant message. In other words, it would be pretty difficult for ordinary

netizens to successfully invoke the "qualified privilege". If the present proposal is implemented, netizens can easily retrieve video clips of Members' speeches from YouTube and Flickr and will have to bear the legal risk associated with the redistribution of videos on the Internet. But given that it has become a trend to share videos on the Internet, thus even if the Legislative Council posts the relevant risk warning, the general public may not understand the legal risk involved. So, is this fair to them?

Finally, I would like to point out that according to the Google Agreement and the indemnity clause of the Flickr, if YouTube or Flickr is subject to any legal action due to the redistribution of videos of the Legislative Council, the Commission will be liable for all legal costs and compensation for empowering the Secretariat to disseminate the relevant information. Nonetheless, as clarifications have yet to be made to a number of legal issues, the legal costs to be borne by the Commission are still unknown.

President, I do not oppose the idea of further disseminating information, and I also agree that it is the major trend to share information in the social networking websites, but given the legal uncertainties, we should not act so hastily. As the matter does not have any urgency at all, I fail to see why we cannot have more deliberations. In balance, I think the disadvantages of disseminating videos of Legislative Council meetings using the social networking websites will outweigh its merits to the Legislative Council, Members and the general public. As I have just said, the Legislative Council has already established its official website to disseminate information of various meetings, people's right to know has therefore been sufficiently protected. Should we hastily press forward a proposal that has no urgency and is nothing more than icing on the cake when the legal risks, consequences and social costs are unknown?

For these reasons, I have strong reservation to this motion. I so submit.

MR SIN CHUNG-KAI (in Cantonese): President, many years ago when the old Legislative Council Building was still in use, I had urged the Legislative Council Secretariat (the Secretariat) to assist in the live broadcast of the Council proceedings. After moving into this Legislative Council Complex, we have live broadcast of the proceedings of nearly all meetings held in this Chamber for the public on the Internet.

Regarding today's motion proposed by The Legislative Council Commission (the Commission), I think the more controversial proposal is item (b), especially after listening to the earlier speech made by Mr Martin LIAO. The Commission has considered three proposals, which include launching the Legislative Council Apps. The Legislative Council Apps is a mobile application that transfers the Legislative Council Website to smartphones or tablet computers for public access, and it will achieve the same effect as the current website.

Item (c) is concerned with the setting up of a Flickr account for posting photos of Members' official events and activities. I believe there will not be much controversy as the copyright belongs to the Legislative Council and the Commission after all. As to whether the published photos would be subject to parody, I think regardless of whether a Flickr account is set up, Members' photos will be subject to parody. This is not a new problem at all.

The controversy therefore centers on the proposal to set up a YouTube channel for posting video records of Council meetings. Regarding the concerns raised by Mr Martin LIAO, I first have to thank him for his speech, which has mentioned a lot of — not a lot of, but one or two — cases, particularly the case of New Zealand. I hope that before the Secretariat posts the relevant video records, it will invite the Legal Adviser to prepare some warning messages, such as "any re-publication may bear certain legal risks". This would at least achieve a warning effect. Of course, when the Secretariat uploads the video records to YouTube, it will have to bear certain legal risks. In this connection, I think our decision today only confirms the legal risks to be borne by Members. No matter what, we must weigh the pros and cons.

Some people queried "if the decision is too hasty" and "whether the implementation can be postponed". For the second question, the answer is "yes". However, for the problems which Mr Martin LIAO and the House Committee have highlighted, I think they cannot be fully rationalized even if we discuss for another two, three, six or 12 months. And, before there is any precedent to go by, no specific decision can be made as risk certainly exists.

Notwithstanding that, I still support the proposal of the Commission. Although I cannot exclude the risks involved and acknowledge the viewpoints of Mr Martin LIAO, I find it necessary for the Legislative Council to keep abreast of the times and increase the channels for reaching out to the public. The initiatives to be rolled out are certainly not confined to those set out by the

Secretariat. But before we move on to other tasks, we should proceed in a gradual and orderly manner and review the effectiveness of the existing tasks.

In fact, apart from Apps, YouTube and Flickr, we still have plenty of room to explore other social networking websites given that the society's technological advancement often goes faster than Members' adaptability. What is more, we must live up to the times. Yet, this is not the major reason. The major reason is to enable the public to understand the work of the Legislative Council through the social media websites, with a view to monitoring the Members and make recommendations to the Legislative Council.

President, while implementation of the relevant proposals will bring improvement to this Council, I am of the view that the Secretariat is obliged to provide regular updates to the Commission and share the benefits with Members, as well as gauge public views on the work of this Council through the relevant platforms. When the Legislative Council Apps is launched, I am confident that it will become popular among members of the public.

YouTube has an interesting characteristics, and that is, its viewers rarely watch videos for 10 hours non-stop. YouTube videos are soundbite-oriented and each video clip lasts for five to six minutes only. As Chairman of the House Committee, Mr Andrew LEUNG, has explained earlier, in order to maintain neutrality, video records of meetings will be uploaded in their entirety. A definite outcome is, as Ms Cyd HO has said, people will capture the highlights for re-publication, which will expose them to the risk — I am speaking parrot-fashion — as stated by Mr Martin LIAO.

I hope that the Legal Adviser will prepare some warnings or educational statements to alert users of the potential risks for re-publication after the YouTube channel is set up. We cannot rule out the possibility that people may be sued for defamation due to re-publication, and such risk cannot be excluded. It would therefore be ideal for the Secretariat to introduce relevant measures to deal with the problem.

The Democratic Party supports today's motion and hope that this will be the first but not last step to enhance our usage of the social media websites. Of the three suggested social media websites, YouTube and Flickr will assume a major role. As to whether there will be further expansion to other social networking websites, such as Weibo and Twitter, it will be subject to further

review. We support the implementation of the first-phase proposal and will decide on future expansion after the review.

DR KENNETH CHAN (in Cantonese): President, the Civic Party also supports the proposal moved by Mr Andrew LEUNG, Deputy Chairman of The Legislative Council Commission (the Commission), that video recordings of meetings of the Legislative Council, information about the Council's work, and so on, be uploaded onto social media websites for further dissemination to the public.

The Council must keep abreast of the times. I shall waste no time repeating the points already raised by other Honourable colleagues. In fact, before joining the Council, I already presumed that the Legislative Council has provided the relevant services because such services had actually been provided by different political parties and groupings, community groups around the world, as well as individual Members of the Legislative Council. That being the case, I also presumed that when scrutinizing the development of parliamentary politics or party politics in Hong Kong, communities in various places around the world would presume that the relevant services were part of the services provided by the Legislative Council as an organization, just that some Members had just extracted and broadcasted certain highlights of the proceedings. Nonetheless, it was not the case, and this practice is only adopted by individual *avant-garde* colleagues (including myself). This step has yet to be taken by the Legislative Council as an organization. I am honoured that I can take part in the discussion today, and I also support the making of this step by the Council in principle.

Of course, the implementation of the relevant proposals would involve certain risks which have already been analysed by Mr Martin LIAO in brief just now. I would like to thank the Legal Adviser for tendering his advice when this agenda item was discussed by the Commission. According to the impartial view and gentle reminder tendered by the Legal Adviser to this Council and all Honourable colleagues, liabilities may have to be borne by the entire Council including members of the Commission and all affected Honourable colleagues. For example, in case of any legal action for defamation or other legal actions, the relevant legal risks must be borne by the entire Legislative Council, rather than individual Members. Of course, the final outcome would depend of the Court's judgment.

Members have taken this opportunity to truthfully recount the potential risks and considerations involved in the implementation of the relevant proposals, as well as the lessons learnt from precedents around the world, in the hope that the Council would support the proposed resolution after considering these factors. Although the power of final decision rests with the Council, individual Members or political parties may consider the risks too high and suggest that the proposals be implemented in a gradual and orderly approach. In that case, we can still take the opportunity to express our own views. Nonetheless, if a decision is taken by the Council to implement the relevant proposals, the Commission will be empowered to instruct the Secretary General to proceed with the relevant work so that information about the work of the Legislative Council would be disseminated via mobile applications (Apps) and uploaded onto social media websites.

It is still uncertain as to how things will develop in future, and I certainly do not have a crystal ball. However, the Civic Party considers that the Legislative Council must keep abreast of the times. Hence, on this premise, while acknowledging the potential risks involved, we also note that no major problem has been created so far given that at present, the Council's work and the views freely expressed by Members under the protection of the Legislative Council (Powers and Privileges) Ordinance have also been redistributed and broadcasted.

I hope that our decision to support the relevant paper is correct, so that we can tell the community, especially young people who frequently make use of these social media websites and Apps, that this Council is willing to take this bold step forward so as to keep contact with them and create more opportunities for building up the public image of this Council.

I so submit. Thank you, President.

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

MR CHARLES PETER MOK (in Cantonese): President, I am a member of The Legislative Council Commission (the Commission), and I would also support this proposed resolution today.

First of all, as a member of the Commission, I would like to thank the Secretariat, especially the Secretary General, as I can actually see that in recent years, the Secretariat has been proactively making use of new media and technologies, as well as promoting the policy of open data. Hence, regarding the present proposals, the Secretariat has been proactively studying the sharing of meeting proceedings, and so on, through the extended use of mobile applications (Apps) and social media websites, which is an excellent initiative. However, the proposals can hardly be regarded as forward-looking because these initiatives are nothing new on the Internet and they have been used by the public all along. The problem is that we often come across queries from the public including ordinary citizens as well as netizens as to why these initiatives are not undertaken by the Legislative Council itself. Hence, it is very good to see that the Secretariat of the Legislative Council has taken the lead in this matter.

As we discuss this matter today, I would like to repeat the new media under discussion today so that Members can have a clear idea as to what they are. These three media are, namely, Flickr for sharing photos; YouTube, which Members are more familiar about, for sharing videos; and one Apps.

During the discussion just now, as well as the discussion by the House Committee two weeks ago, a number of Members have expressed the concern as to whether their speeches in the Council would no longer be protected by the Legislative Council (Powers and Privileges) Ordinance (the P&P Ordinance), such that they could no longer speak freely. Regarding these concerns, I think the views just shared by several Honourable colleagues and Mr Andrew LEUNG, Deputy Chairman of the Commission, have already illustrated clearly that while not many precedents in overseas countries are available, the matter has been under discussion for a long time in other parliaments such as the United Kingdom, and the conclusion is invariably that the interest of the people's right to know should override Members' right to be protected against prosecution or legal actions for defamation. Nonetheless, of course I understand that one of the reasons for our protection under the P&P Ordinance is that we can speak freely. Hence, it is necessary to strike a balance between the two.

Of course, I am not a legal professional, but I think that in this world, it is actually very difficult, if not impossible, to be afforded total protection in some matters. Furthermore, if the worry is about facing prosecution as a result of speaking freely in the Council, those Members who should be most worried about facing prosecution are not in the Chamber now, perhaps suggesting that they have

little concern in this respect. I think Mr "Long Hair" should be the one with the greatest concern, but he is not in the Chamber now. I do not know if he intends to return and speak later, but it seems that he is not against the idea of sharing more information with more members of the public.

Hence, as I said last time at the meeting of the House Committee, I was not taking the opportunity to criticize colleagues for criticizing other colleagues — at that time, I said that they wanted to be Members, yet they also wanted total protection — I think this is the public's perception of Members of the Legislative Council. Although we understand why we enjoy the protection for speaking freely, the public's right to know still slightly overrides our concern. Let us imagine. While the words we speak right now in the Council are protected at this moment, our speeches might no longer be protected once they are edited and broadcasted in the news sooner or later outside the Council. In that case, it is impossible to have 100% protection even today.

Therefore, while the proposed extension can serve to enhance the public's right to know and provide them with more convenience, I honestly do not think that our risks would be increased. Moreover, the existence of only a few precedents in overseas countries actually shows that the risk is just minimal. Furthermore, generally speaking, regarding redistribution via social media websites — as far as my limited understanding is concerned and according to the explanation given by colleagues of the Legal Service Division at the meeting of the House Committee held previously — given our concern about the risks sometimes faced by third parties, the scenario where prosecution is initiated against the redistributor but not the original speaker who made the potentially questionable statement is indeed few and far between, or even unheard of.

Hence, in this regard, I consider that we need to strike a balance among the public's right to know, the interest in respect of free flow of information, and even our own personal interest, as well as the interest of third parties and the redistributors. As the Legislative Council is people-based, we should not only focus on the above problems. If our fear is so great, I am afraid that we can actually do nothing. Just now, some Honourable colleagues such as Mr Martin LIAO expressed worry about the legal costs arising from actions against the Commission or the Legislative Council. By the same token, I do not mean that we should use up our budget or invite legal actions, but I think we can do nothing if our fear is so great. All in all, I maintain that the risks involved are just minimal.

By nature, Internet is always ahead of the law. Of course, this proposed resolution has nothing to do with the Secretary for Commerce and Economic Development who is in the Chamber now. But I believe that he has also faced many similar problems, that is, the development of the Internet in various aspects is invariably much faster than the law. If action is only taken after all legal questions are clarified, it effectively means that the development of network and technologies in the world would come to a halt. Hence, I think Members should not worry about these problems.

When I heard the concern just expressed by a number of Members about the present proposal, I was thinking that instead of worrying about the additional risks brought by the three new services, namely, Flickr, YouTube and Apps, I would say that high risks are also involved in our existing website as our speeches are likewise broadcasted live, and as those statements have already gone outside the Council, they might no longer be protected under the P&P Ordinance, not to mention the numerous Hansard and minutes of past meetings, and so on, that are kept in our website, which serve as records of all the speeches we made previously. What about those contents? That is the arrangement we have adopted all along. Of course, regarding how the decision on setting up the website was made, as a new Member, I do not know whether a proposed resolution had been moved then for the discussion of the relevant issues and for the endorsement of the Council. Nonetheless, the proposal, if any, must have the support of the then Commission. But it remains that information on the existing website can also be shared and reproduced. If we are indeed worried about the addition of Flickr, YouTube and Apps, and suggest that the proposal be deferred after further deliberation, by the same logic, our website should also be suspended. But of course it is impossible.

Hence, in the long run, if our concern is copyright infringement, the Legislative Council may consider handling the matter through a creative commons legal agreement, and I know that the relevant study is being undertaken by the Secretary General. Of course, this can only solve the problems relating to copyright and protect the copyright of materials created by us. As we all know, the Panels may sometimes invite members of the public or other representatives to make oral or written submissions, which might not be fully covered by such an agreement. Nonetheless, we can always identify ways to seek improvements gradually.

Separately, some Members may worry that after the implementation of the proposals, their personal photos and videos would become a target of spoofs. By the same token, this situation has already happened from time to time. In fact, only Members receiving public attention would become a target of spoofs, and such "reception" was also welcomed by the Financial Secretary John TSANG. Hence, I consider that nowadays — especially given my strong support for secondary creations personally, I welcome all sorts of spoofs on me, but I cannot speak for others — if Members can view this matter with an open mind and understand the need for us to face the public, they need not be over worried about the proposals.

I think Members should bear in mind that if our present discussion is based on this standard, that is, the only concern is about protecting the Legislative Council, I would worry about the standard to be applied on the Government in future. How can we ask the Government to make more information available if it can criticize the Legislative Council for closely guarding its own information? How can we convince the Government to be more transparent? I consider that it is essential for the Legislative Council to take this step in terms of its overall policy and system. I dare not say whether this step is excellent or the best, or whether we are ahead of the Government, but this is a road we must embark on, or else we will have no grounds to face the Government and challenge it to be more open in future.

There is also another point that I want to raise. All in all, I am more concerned about protecting the interest of users. As pointed out by Mr SIN Chung-kai just now, the last thing we want is that the netizens or users must invariably bear certain legal liabilities for redistributing our contents, for example, when they redistribute edited segments of speech highlights from their most favourite or least favourite Members via YouTube. Of course, I am not referring to copyright because we have already adopted an open policy, but there are other legal liabilities as well, such as those falling on the redistributors as a result of the speeches made by the Members concerned. I consider it necessary that a clear explanation on these issues be provided for the users. By doing so, our objective is absolutely not to disclaim the Legislative Council's liabilities and make the netizens themselves liable, but we really want them to fully understand what they are doing.

Going back to the point I just mentioned about the explanation given by colleagues of the Legal Service Division. According to them, the risks involved

should in fact be minimal. In other words, it is unlikely that the "middleman" is prosecuted, while the speaker cannot be or is not prosecuted. It shows that the risks involved are actually minimal. Should this be a *bona fide* scenario, it would have happened in the past because more radical speeches would get shared by more people on the Internet. Had such incidents happened, I think the relevant precedents would have been available. Insofar as Flickr is concerned, Members should have even less worry because as far as I know, the Secretariat will pre-select the photos for upload so that only immaculate photos of Members would be shared via Flickr. Therefore, Members should have no worry about their image being undermined.

Hence, all in all, I support the proposed resolution as well as the present initiative of the Secretariat. There is still a lot of work to be done by the Secretariat. I note from the demonstration that many steps of work are involved in uploading information onto Flickr and YouTube. For example, when uploading videos onto YouTube, the Secretariat's staff would have to record the speaking time of individual Members and insert the tags accordingly. In particular, regarding the launch of Apps, I once asked the Secretariat if the Apps were developed by contractors. But it turned out that they were developed by our own staff, which is amazing. I almost told them that they could take outside jobs. But of course it is not allowed. It is clear that they have really spent a lot of effort on this initiative, and I would like to thank them here again.

Hence, I believe that our present initiative is a step towards the right direction. As such, we should proceed with the proposals and capitalize on the connectivity and integration offered by social media network and the Internet so that a proper channel facilitating public access to information can be established. As such, an example will be set by the Legislative Council, or at least we will not lag behind overseas countries.

President, I so submit. Thank you.

MS EMILY LAU (in Cantonese): President, I speak in support of this resolution moved by Mr Andrew LEUNG on behalf of The Legislative Council Commission (the Commission). And I also thank the Secretariat for the tremendous amount of preparatory work it has undertaken. Nonetheless, it is still too early to say whether this initiative will be a blessing or a curse. Hence, I must also thank the Legal Adviser for his words of caution at the meeting of the Commission as to

whether the relevant issues should be deliberated by Members carefully — especially considering the experience of other legislative assemblies or parliaments in passing similar resolutions for authorization — because one of the original options was to implement the proposal directly. In this connection, once the proposed resolution is passed to direct the Commission to instruct the Secretariat for implementation, mobile applications (Apps) and social media websites would be used to disseminate information of the Legislative Council.

This has nothing to do with shirking our responsibility as it is vital for the Council to have a solemn discussion on the matter. At the meeting of the House Committee, Mr Martin LIAO was already gravely concerned about the proposal, and he has also expressed many views today. I do not know whether other Members would speak later to support Mr LIAO's views. Nonetheless, given that various parties could express their views fully, even if Mr LIAO's worries should materialize, we would no longer be members of the Commission, President, you may still serve as a member, but I would probably not. Should the Council be involved in a million-dollar lawsuit in future, reference could still be made to the record of our speeches today, although it might be of little use anyway. On the one hand, Mr Charles Peter MOK said that minimal risk would be involved, but on the other hand, Mr Martin LIAO opined that as uncertain legal risks would be involved, there was no need to put icing on the cake. As their views are poles apart, it is difficult to say who is right and who is wrong. Nonetheless, I support this proposal and consider it necessary to implement the relevant arrangements.

However, as all Members are grown-ups, we must have noted or perceived that certain potential risks are involved; although the list may not be exhaustive, various potential risks have been mentioned. Hence, a vote will be taken after our discussion, and once the proposed resolution is passed, it should be implemented accordingly. Otherwise, the proposal should be postponed. However, I agree with the point just raised by some Members that while Mr LIAO's concern should be addressed, his response was that the proposal had no urgency. In that case, if the proposal is not taken forward today, or as some Members had pointed out at the then House Committee meeting, should it be implemented in April, June, or even next year? By then, we would still run into the same questions while it is likely that we must still make reference to more or less the same precedents. That is why I consider that notwithstanding the slight risks involved, the proposal should be implemented.

Regarding Mr Charles Peter MOK's caution to the Government — as this is our debate, the Secretary has already left because he is not involved — I consider that we will set an example for the Administration if the proposal is put into actual implementation. If the proposal is implemented by the Legislative Council, what channels would be used by the Executive Authorities to disseminate their information? That is why I consider it beneficial to implement the proposal. Moreover, according to the paper provided by the Secretariat, these modes are only used by the legislative assemblies of four countries, namely, the United Kingdom, the United States, Canada and Australia, to disseminate information. President, as you know, all these countries are developed countries. I am not sure if examples of other countries are available because I have not conducted any data research. But I think if Hong Kong can adopt the same practice, we should also count as a front-runner in this regard. I am quite convinced about it.

I also hope that the Secretariat can proceed with this matter cautiously, taking into account the views expressed by Mr LIAO and other Members because a number of Honourable colleagues have already pointed out that even with the implementation of the proposal, studies should be undertaken to see if certain matters can be explained more clearly so that the users would be alerted or informed. Does it mean that we can then disclaim our responsibility? Not necessarily. But at least the public will have a better understanding because the lack of past problems does not mean there will be no future problems. Honestly, nobody is certain who will become Members of the Legislative Council in future, and the future Commission may abandon this practice intentionally. Yet it would be very difficult to revert an established arrangement, especially if it is well-received by the public.

On the topic of public acceptability, I am sure the President would know that nowadays, many people especially the youths neither read newspapers nor watch television. Of course, they have no interest on the programmes of "CCTVB", and hence, they mostly receive information via the social media. We hope that with success in this initiative of the Legislative Council, more young people or people of any age group would be drawn to obtaining information of the Council via this channel, so that they are aware of the topics under discussion by the Council. In fact, many discussions held by the Council are closely related to them, and they just find them boring or too serious, and hence, become disinterested due to our way of expression or some other reasons. But the situation will change if certain information can be uploaded onto the Internet.

In this regard, some Members also asked me just now as to how the Secretariat would edit and upload the relevant information, and what are the criteria for deciding to upload the information of certain Members but not others? I think the Secretariat would have to provide Members with further information about these questions later. I also note from the Secretariat's report that records of prolonged meetings over 10 hours cannot be uploaded in their entirety due to YouTube's technical limitations, not to mention that it is unlikely for viewers to watch the entire proceedings continuously for over 10 hours. The meetings would hence be uploaded by segments. However, is it possible that meeting segments would be uploaded selectively? All these are questions that some Members are concerned about, and I believe that Mr Andrew LEUNG, as Chairman of the House Committee, might not be able to answer them all on behalf of the Secretariat. But I want Members to know that we will also follow up on these questions in the Commission.

President, I also note from the report that logical and user-friendly arrangements would be worked out by the Secretariat. However, who is the target for the "logical" arrangement, and how to ensure user-friendliness? I believe that after the implementation of this proposal, the Secretariat's workload will increase, yet the Secretary General and his colleagues would gladly accept this challenge because it is definitely encouraging if many people can gain access to such information and give their views on the Council's work. Nonetheless, a particularly cautious approach should be adopted. Both the Secretary General and the Deputy Secretary General are present now, and I believe that given the sensitive nature of this matter, they will take various precautionary measures as necessary. While most Members who have spoken today consider it worthwhile to take the risk, special attention should be paid towards the views expressed by Mr LIAO because it is the last thing we want to see should any major incident occur in future that must be handled by the Commission or even the House Committee. I hope that through today's discussion, Members can highlight some foreseeable issues before passing the proposed resolution to instruct the Commission to implement the relevant arrangements.

The Secretariat's report also mentions that after gaining further experience, suitably qualified staff would be recruited or developed to handle the relevant duties. I personally support this suggestion very much. President, as you are aware, I have all along suggested in the Commission that more training should be provided by the Secretariat so that the staff can strive for the best in all areas of work. Hence, I hope the Secretariat can work to its best in this initiative and

report its progress to the Commission in due course. What then is the objective of recruiting these talents? According to the report, the objective is to develop a presence in other prominent social media platforms, such as Facebook, Twitter and Weibo. When our presence is extended to Weibo, more and more people will access the information of the Council. That is why I consider it an excellent initiative. I hope that this step taken by the Legislative Council will serve as a good example for the Executive Authorities of the SAR, and they may even want to compete with us and show us the means they could use to disseminate information to allow greater participation, scrutiny or access by the public.

President, regarding the business of the Council, Ms Cyd HO has mentioned the practice of overseas parliaments just now. Of course, we should make reference to the means of information dissemination by overseas parliaments. But I also agree with one of the points made by Ms HO that we are actually more advanced than overseas countries. On meeting arrangements alone, while closed meetings are held for some committees in overseas parliaments, open meetings are held for the majority of our committees. When overseas parliaments learn about our practice, they are quite surprised. Apart from making public the meeting proceedings, all papers can also be downloaded from the Internet. In overseas parliaments, some committees are established for the purpose of "internal deliberation" so that different political parties can negotiate with each other in closed meetings. But we do not have such committees. Locally, political parties, as the President has described, are strangers. Our political ecology is indeed different.

Separately, I hope the Secretariat can do better in one area, that is, to improve the search engine. Notwithstanding the arrangements made for the dissemination of information, many members of the public, including Members and their assistants have encountered difficulties in retrieving information when they browse through our website. In fact, we have this treasure trove, yet they have no idea how to hunt down the treasures. When conducting research earlier on whether the Liaison Office is required to abide by Hong Kong law, I have tried to locate previous reports on the subject, and the most relevant one is of course that on the adaptation of laws as it set out all previous discussions over the years. But all my efforts were to no avail. Then I called a staff member and asked him where I could find the said report. In reply, he said that he would look it up and save me the trouble. Eventually, it was with much effort and trouble before he gave me the relevant link. Hence, I very much hope that the Secretariat can improve its search engine as much as possible.

However, according to Mr Joseph WONG's account in one radio programme, we are not the only ones who are lazy, and the Government is lazy as well. He added that whenever he could not find the relevant information, he would search for it in Google. Nevertheless, I still hope we can do better given the existence of extensive records and full reports in our database. For example, there is a recent report on food safety with reference made to Japan. I think that is an excellent report. Recently, I have referred a complaint case lodged by a member of the public to Secretary Dr KO Wing-man. It was only after reading this report that he became aware of the inadequacies. Therefore, more people should know about such information. However, when I mentioned this report to the clerks of the Panel, even they did not know about it.

Like the Government, the Secretariat also lacks inter-departmental communication. Hence, I hope the Secretariat can ensure effective communication internally and improve the search engine, in order to facilitate data search by the public. We must ensure that people who enter this treasure trove can readily find what they want and more. I believe that the Commission will have the support of the Council today. Thereafter, the Secretariat would embark on the relevant initiatives and provide timely reports to the Commission in due course regarding matters requiring further improvement.

With these remarks, I support the proposed resolution.

MR ALAN LEONG (in Cantonese): President, just now, Ms Emily LAU commented that it was very difficult to search for "treasures" in the "treasure trove" of the Legislative Council, and she went on to cite Mr Joseph WONG's remark that a Google search might be conducted instead. Actually I have tried searching on Google, and I wonder if the President has also tried to do so? Nevertheless, regarding this "treasure trove" of the Legislative Council, I really have no idea how the information in this "treasure trove" is archived in the first place? I can find a lot of information with Google search, yet it is almost impossible to hunt down the "treasures" in the "treasure trove" of the Legislative Council. I wonder why.

President, you can try a simple search later. Take for example the Phase I study report of the West Kowloon Subcommittee. Of course, it is very difficult, if not impossible, to locate this report on the website of the Legislative Council. Yet even a search for "Phase I study report of the West Kowloon Subcommittee"

on Google will not return any exact match, and only some strange links are given such as the minutes of different meetings where those keywords were spoken by Members. Invariably, no link is provided for the exact report. Hence, I cannot help but raise this question because the matter has just been mentioned by Ms Emily LAU. I have actually tried searching information on our website, yet I find it very difficult. Given the existence of this "treasure trove", I hope that no members of the public will return empty-handed.

President, as Dr Kenneth CHAN has already stated our stance on behalf of the Civic Party just now, I will not repeat it here. But having heard the interesting discussion of Members, I would also like to speak specifically on my views about the legal issues involved.

At present, speeches made by Members are broadcasted via the website of the Legislative Council. For example, as I am speaking now, the contents have already been uploaded on the Internet, and members of the public can watch the Council's proceedings anywhere on smartphones. In that case, if our information can also be redistributed via YouTube and Flickr or through mobile applications (Apps), will it bring about a substantial and sudden increase of risks legally?

When considering the legal liabilities, three parties are invariably involved. President, the first party is the Member who made defamatory remarks during a debate of the Legislative Council. He is the first party. As his words spoken before the Legislative Council are protected under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance), this Member will not be liable for defamation. In my view, he is still protected even if the specific remarks were uploaded onto social networking websites because no action has been taken on his part and at his own initiative. The relevant video segment was merely uploaded onto those websites by the Legislative Council Secretariat as the second party, or some netizens as the third party. Of course, the Member himself will not have any problems.

Just now, Mr Martin LIAO cited *BUCHANAN v JENNINGS*, a case with judgment handed down by the Privy Council in 2005. I have also reviewed this case concerning Mr JENNINGS, a member of the Parliament, who was silly enough to repeat effectively the statements of a defamatory nature he made against another person in a parliamentary debate when he was being interviewed out of the Parliament later. Of course, this was not allowed. While a Member

is not liable for defamation or the making of statements of a defamatory nature inside this Council, it is a totally different matter if he repeats those statements outside, say, in Tsim Sha Tsui Pier. Nonetheless, if a person makes a video recording of those statements and played it in Tsim Sha Tsui Pier, the Member concerned is of course not liable because he has done nothing. Hence, as the first party of potential legal liabilities, I think Members are safe so long as they would not follow the silly example of Mr JENNINGS by repeating their statements out of the Council without the protection of the P&P Ordinance.

President, who is the second party? It is the Legislative Council Secretariat because the Secretariat's staff would process and upload the video recordings of our speeches onto the social networking websites. However, insofar as the liabilities of the second party are concerned, the existing website of the Legislative Council <www.legco.gov.hk> already presents certain risks. But I consider that no problem will arise. Why? Because their actions only serve to assist the Legislative Council in giving the public a faithful account of the Council's proceedings and hence, such actions would definitely be covered by the so-called "qualified privilege". Therefore, the second party is also safe.

The only exception is the third parties because unlike some newspapers or magazine websites, the current website of the Legislative Council does not offer the option of one-click sharing to social networking websites as no "F" or "T" buttons are available. But sharing would become easier in future. In other words, it is more likely for third parties (that is, netizens) to forward video segments of our speeches. As I see it, third parties should indeed be responsible for their own actions. That is why I want to make a suggestion to the Secretariat on the implementation of the new arrangement proposed by The Legislative Council Commission (the Commission). As I believe that the proposed resolution will be endorsed by the Council, I hope the Secretariat can consider issuing a clear reminder or even a warning to third parties that they should not seek to defame other person through redistributing video segments containing defamatory statements against the said person made by individual Members before the Legislative Council under the protection of the P&P Ordinance because in my view, such action is not protected by law.

Of course, the situation would be different if the third party is a news reporter because given the social responsibility of news reporters by nature of their work, they exercise the powers of the fourth estate and are also covered by "qualified privilege". Simply put, the above is an account of my views, and I do

not want to take up too much time. Of course, my views are not laws because it is ultimately the judge's decision as to what the laws are about. Nonetheless, having heard the lively discussion held by Members, I also want to express my views on the matter.

President, I do not know if you have the same feeling? Whenever I visit the districts, I have this sense of satisfaction when the kaifongs told me that they have heard my speeches, and that they agreed or disagreed with what I said because we are most afraid that we are just talking to thin air and our views have gone unheard and unnoticed. That is what I find the most frustrating.

President, that is why I strongly support that any medium or interface commonly or readily used or embraced by our target audience as well as the general public should be deployed to present a full account of all the activities of the Council. Hence, on this premise, I support the motion proposed by Mr Andrew LEUNG on behalf of the Commission at this meeting. I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, I am not a member of The Legislative Council Commission (the Commission) and has therefore not taken part in the discussion of the resolution on the uploading of information on the Legislative Council to social networking websites.

The following views are made in my own capacity, but not on behalf of the Business and Professionals Alliance for Hong Kong. I learnt that some colleagues had expressed concern about this decision at the House Committee, and while the majority of Members supported the decision earlier, some had expressed reservation about it. As a directly-elected Member, I certainly hope that the speeches and views made in this Council can be widely disseminated. Therefore, I often made video records of myself making speeches in this Council for future uploading to YouTube or my social networking website. In that case, is there any cause for concern about the present decision? I want to look at this from several perspectives.

Firstly, the Legislative Council (Powers and Privileges) Ordinance (the P&P Ordinance) has certainly enabled all Legislative Council Members to speak in a carefree way. Although Members may get too emotional and even be accused of defamation — probably not deliberate defamation, but just a failure to state the truth due to a lack of information — they can still rest assured to speak.

I am a careful person as I have not only assisted people from all walks of life and even colleagues to sue other people for defamation, but have also engaged in a lengthy case on defamation, which has taken as long as a decade from the moment when the defamatory statement was made until the case was brought to the Court of Final Appeal. One of the appellants had even committed suicide as he could no longer stand the lengthy proceedings. I could feel the agony suffered by the person concerned in the course of helping him. I therefore do not want to put any Legislative Council Member or the entire Council in the same situation.

Members have different styles. While some are very radical, some are pretty outspoken and may be accused of slandering colleagues or people outside this Council. Fortunately, we have here the President to uphold justice. According to the rule of the game, we may rise to request the President to uphold justice whenever a Member has gone too far. While we sometimes agree with the President's ruling in some cases, sometimes we do not. This is precisely because all Members enjoy the so-called absolute right of protection under the P&P Ordinance, and the President has been entrusted to uphold justice.

At present, some of us uploaded video clips of our speeches to the social networking websites to gain publicity, but our opponents may also do so for the sake of parody. For Members, I think this is nothing new. Before this resolution gets passed, is it so difficult for members of the public to access our speeches? I do not think so. For instance, the RTHK has conducted live broadcast of Council proceedings, so that people can watch the proceedings even when they are on a taxi. Also, the now TV and the Cable TV have recorded a large part of the proceedings. Given that the media has adopted such practices, the relevant television broadcasters should also be held responsible for their decisions and choices.

In some cases, for instance, if a Legislative Council Member held that another Member has smeared or slandered him, he would rise to request for a ruling from the President. Let me remind both the media and the users to think carefully before redistributing the relevant video as it might involve conflicts or even controversial or untrue matters. The same case applies to the social networking websites. If a real estate developer felt discontented after being criticized by Legislative Council Members and issued a statement immediately afterwards, people must be very careful when making the redistribution as they may be liable for prosecution. Even if a video was redistributed unedited, but so

long as it is concerned with high-profile accusation of another person for making untrue statements, the person who uploads the video (even if it is the media) would have to exercise his own judgment. But if the video has nothing to do with that, an unedited re-publication should receive relatively higher protection.

At present, all materials are uploaded to the Legislative Council website unedited and unscreened, I therefore think that the protection provided should be the highest. While some colleagues do not think there is any difference between uploading materials to the social networking websites and the official website, I do think there is a difference in terms of the magnitude. This is because all materials will basically be uploaded to the Legislative Council website, and this is why we often search for previous records (written or video records) from the official website. On the other hand, we will also upload records of the proceedings to the social networking websites on our own initiatives. For me, I will select video clips which I like or intend to gain greater exposure, and then upload them to YouTube after screening and editing. Many colleagues certainly have better skills than I as I have to count on my assistants to do the job for me. And yet, based on my limited experience, video clips must be edited before uploading and it is impossible to upload video clips lasting more than 15 minutes to YouTube unedited. Responding to a colleague's remarks concerning YouTube, I wonder who is responsible for editing and screening. I am sure that this will cause conflicts among Members, who will definitely criticize the adoption of a double standard and query why some speeches are uploaded while others are not. As Members are currently uploading videos on our own initiatives, we can do it in whatever way we like. This is not a matter of law, but a matter of judgment. Secretariat staff who is tasked to edit the video clips in future will certainly have to answer Members' queries from time to time.

The solution is therefore to upload unedited videos. However, unedited video clips may be too long to be uploaded to, for instance, YouTube. I sometimes only upload a link or just a photo with captions to express my viewpoints. Therefore, I am very eager to know if the proposal can be implemented in a fair and just manner. Furthermore, what is the desired result that Members wish to achieve? Is there any difference from the websites that are currently accessible by us? Is there really such a big difference?

In fact, radio stations or websites like the Cable TV and the RTHK have also broadcast the proceedings of this Council. YouTube, being a social networking website, should be able to do so as well. Does our present move to

take up the job mean that the Legislative Council is taking up responsibilities that are not supposedly borne by us? And yet, no one has excluded the potential risks during the meeting of the House Committee or the Council today. Based on my knowledge on defamation laws as well as my experience in handling prosecution cases relating to defamation and court experiences, these matters are very controversial.

In that case, we will turn to the three categories of people whom a number of colleagues said would be directly affected: First, Members; second, the entire Legislative Council, and third, the users. Members, as an individual, are protected under the P&P Ordinance in this Chamber and our speeches are absolutely protected. But after redistribution ... As I have said, certain Members are always bidding to "get the limelight", but since their speeches often do not attract much attention, it is reasonable to think that they would not arouse much repercussion. Nonetheless, there may be cases where Members immediately rose to disagree with their speeches, or a statement was issued claiming that the speeches are defamatory. Given that the unedited Council proceedings will be uploaded with the relevant part remain intact even after a ruling was made, will this held the entire Legislative Council responsible for the legal liability arising from this? I do not think that the Legislative Council should bear the possible legal liability arising from this as personal liability is personal liability. What is more, in this Council, the personal liability of Members enjoys privileges.

I also wish to respond to the speech made by Mr Charles Peter MOK earlier. I expressed concern over the proposal not because I am conservative or indifferent to public interests, but because I want to prompt Members to give careful consideration to the issue. In this case, we are all equal and no one will benefit more or less than others. As to whether this will give rise to conflicts inside or outside this Council, I think the possibility will certainly increase because we can then upload information to the social networking websites on our own initiatives.

These are all my concerns and I just want to highlight them for Members' consideration. Should we conduct a thorough review of the P&P Ordinance to enable Members to gain a better understanding of the situation? When the P&P Ordinance was enacted, technology was not so advanced and popular as today. If we believe the P&P Ordinance may have loopholes that will hold the entire Legislative Council responsible for the repeated redistribution of Members

speeches made in this Council — though this has never happened — I really hope that staff of the Secretariat and the Commission or even Members will consider making amendments to the P&P Ordinance, so as to address our concern in this regard and save the Secretariat the trouble to do the job in such a cautious manner. This is because in this case, no one can give full assurance.

Considering the abovementioned reasons, I will abstain from voting on this resolution.

President, I so submit.

MR WONG YUK-MAN (in Cantonese): Only six Members are in the Chamber now, President, but I will not request a quorum count. I want to speak.

I totally support this proposed resolution for The Legislative Council Commission (the Commission) to use social media websites to share information contained in records of the proceedings of the Council. The reason is simple. First, we often say that the public has the right to know and the Government has the obligation to inform. As the Legislative Council is an organ representing the people, it likewise has the so-called obligation to inform. Presently, the website of the Legislative Council is the vehicle for information dissemination.

With all due respect, the website is not too successful. While it cannot be described as a flop, the website is not user-friendly at all. This website is not only used by Members of the Council, say, I would sometimes read the papers directly on the website if I do not want to read from the hard copy, or some Members may browse through the newspaper clippings and see if they have made the news. Instead, this website should also serve the public so that people affected by the relevant policies can stay informed about any latest development in the matters concerned. Moreover, we should formulate a set of guidelines or even conduct publicity to inform the public that they can learn more about the Council, including its proceedings and the relevant papers, through this website.

Now, the proposed resolution suggests that information of the Council be uploaded onto social networking websites. I think some Members have failed to grasp the core of the matter. I can fully understand that because they might know little about information technology. That is why their views are totally ... We have a Member here representing the information technology sector. The

point here is not about uploading information onto YouTube. YouTube is a passive medium. Any person in the world can upload videos onto YouTube or register a YouTube account. Now YouTube even shares part of its advertising revenue with video uploaders. That is a passive medium.

The Legislative Council has its own website. Under the proposal, our information would be uploaded onto social networking websites so that members of the public can view the same by clicking into the link. Nowadays, some newspaper websites also provide content in videos but not via YouTube because YouTube plays advertisements and charges a fee. These websites must get their own hit rate in order to charge the advertisement fee. I have been working with the Internet since 1998, and have always been keen on figuring out different revenue models or how to bring in revenue. Indeed, this is a source of revenue.

Buddy, the Legislative Council may also consider charging an advertisement fee in future if we have a high hit rate. But of course, many issues would be involved in charging advertisement fee, say, the commercial consideration as to what kinds of advertisements are acceptable. Of course, the Legislative Council is not supposed to accept commercials.

Now it is proposed that our information be uploaded onto social networking websites. Of course, it is most important to ensure the integrity of such information so that our proceedings will not be taken out of context or uploaded selectively. Hence, it involves the question of what content can be uploaded and what not. Take for example the segment about Mr Christopher CHUNG remarking, "Ricky WONG, pack it in!" Can this segment be uploaded? This footage has indeed been viewed by many people. What about the exchanges between Dr CHIANG Lai-wan and the President, which also have a very high hit rate on YouTube? Would these segments be uploaded? That is the first question.

The proceedings of the Legislative Council must be uploaded in their entirety. This has the benefit of sparing me from unjustified accusations. For example, at the particular meeting of the Constitutional Affairs Panel, I have been explaining my reasons for four minutes before I said, "Your consultation is bogus consultation, and you take statements from Beijing officials as the legal basis. Hence, the three of you should go to hell!" I went on to say that, "You are the lackeys of the lackeys." — which is considered to be defamatory — and then I said, "Petrol bombs will be thrown at you next time instead of eggs." Buddy,

the word "you" means the Government as a whole, not Carrie LAM. Afterwards, my remark was distorted by the media, claiming that I wanted to throw petrol bombs at Carrie LAM. When Carrie LAM attended a consultation meeting on constitutional reform with the commercial sectors yesterday, a participant said viciously, "Should he dare make the remark out of the Council, he would definitely be arrested." He was not discussing the constitutional reform at all, but my remark about throwing petrol bombs at Carrie LAM. If such information is uploaded in its entirety, members of the public who watch the video will understand the context and reasons of these statements made by WONG Yuk-man.

Many Members have expressed concern about the issue of defamation. Regarding Members' speeches at meetings of the Legislative Council that are uploaded by the Council, they are of course protected by law. One cannot say that as the words spoken are uploaded onto social networking websites, that is, a different vessel, they are no longer protected by law because the Legislative Council is our platform and legal protection can only apply here. Basically, this argument is untenable.

For example, if a person has edited some footages to ridicule Dr Priscilla LEUNG, she can sue him if she wants. But it has nothing to do with the uploading of video recordings by the Legislative Council. A third party has edited and uploaded the kuso video on her. For example, if somebody said, "Professor, you teach 'bull shit'", and you are furious, you can sue him. There are ways for you to find the upload IP address.

Do you think you can casually defame somebody on the Internet? Of the 90-odd cases, there is not even one single winning case. The website is a vessel. Any person who uploads illegal materials, including those of a defamatory nature, onto the website has committed a crime, and might also be sued by others. People should not bank on the idea that it is difficult to find the IP address concerned on the Internet because they have many alias and hence, are untraceable. Given my years of work in this industry, I would know best.

Personally, I am open on this. For me, there is no big deal as we have often been defamed. As public figures, what should we consider as defamatory? Is it defamation if somebody said that I am not a good teacher? Is it defamation if somebody said that I am not handsome enough? Eventually, the decision would have to be made by the Court.

Therefore, the matter is plain for us to see. On the one hand, you want information to flow freely, but on the other, you say people can now observe Council proceedings via live telecast. But what is the effect of live telecast? Would you sit down and watch it? As meetings of the Legislative Council are so boring, would you sit down and watch the whole proceedings? If members of the public are now watching our live telecast and note that there are only six Members in the Chamber, they might just want to smash their television.

Even though Council meetings are telecast live on Cable TV and RTHK, how many people will watch them? But things will be different if the proceedings are uploaded onto social networking websites because as we all know, there are many phubbers around, say, on the MTR, who just keep looking at their mobile phones either watching dramas or checking the news.

Let me share something with Members. At present, some traditional print media organizations are all set to digitize their news content, and they have already become television broadcasters. Do you see what I mean? Recently, I also host a 5-day programme on the network station of a newspaper. Do Members know that the live news of this media organization is even more update than that of 24-hour news stations on the cable? We have conducted researches in this area in order to stay informed about the latest development. Live news of this media organization covers not only text content, but also videos or news footage. In fact, it can be done easily. For example, like last time when Dr CHIANG Lai-wan and Mr Gary FAN were involved in a scuffle as he blamed her for making groundless accusations, if the whole incident is videotaped by some reporters outside, the footages would be uploaded onto the websites instantly. Nowadays, people will upload videos they shot onto Facebook or other social networking websites anytime because they find it very interesting.

But what reporters do now is that they will send the footages to their news offices right away for instant upload, which is just a split-second process. Basically, many members of the public no longer watch television or listen to the radio because they can watch everything with their smartphones. If our information is uploaded onto the social networking websites so that the public can easily access the same through smartphones and become aware of Members' activities in the Legislative Council, why should it not be implemented?

Moreover, regarding the consideration of legal liabilities and defamation, I think there is no cause of worry for Dr Priscilla LEUNG because I am more likely

the one who defame others. Unlike me, other Members are gentle souls who always speak politely. I am also the first Member of the Legislative Council to lash out at senior officials; I am the instigator, right? The President also called this the "WONG Yuk-man phenomenon". If WONG Yuk-man is the person to be sued, why does she need to worry about it? If any person has uploaded edited videos, he shall bear the responsibility himself. The matter is very clear. For the sake of concepts like enhancing the so-called transparency of the Council, ensuring free flow of information, safeguarding the public's right to know and fulfilling the Legislative Council's obligation to inform, all activities of the Council would be uploaded onto social networking websites. Of course, we are mainly referring to video recordings. Instead, the question lies with the Secretariat's criteria for selecting video recordings for upload, say, videos of WONG Yuk-man cannot get selected all the time, right? Given the Secretariat's impartiality, video recordings of all public meetings, including meetings of Panels, should be uploaded onto the websites. That is the fair arrangement.

Honestly, Facebook is being used by many Members including those of the pan-democratic camp and pro-establishment camp, but how many people have visited their pages? Once Mr Frederick FUNG asked me, "Somebody has created a page for me on Facebook. But how come I only have 1 000-odd 'Likes' so far, while you have tens of thousands of 'Likes'?" He should not make such comments because it is already quite remarkable to have 1 000-odd "Likes". As we always say, the content is the key, that is, what materials have been uploaded, or what messages have been written? If a person's posts are always vague or confusing, who will visit his Facebook page? Members should not be mistaken that the publicity will always help. Moreover, people will only become interested in the views expressed by a Member and visit his page if the said Member is a keen speaker who always attends meetings of the Council to deliver insightful and focused speeches. The concept of sharing is also mentioned in the motion. Information uploaded onto the websites must be shared, not just liked, by others. Sharing is essential as information not shared among the people is not influential at all.

Nonetheless, the Secretariat is not concerned about the above matters, that is, which Members are eloquent speakers, which Members are poor speakers, which Members speak with insights, and so on. The Secretariat's role is to ensure that proceedings of the Council, that is, the Legislative Council ... As all matters discussed by the Council are related to public policies, the interest of the public is at stake. If the matter is considered from this angle, instead of merely

relying on the website of the Legislative Council, more channels should be provided to allow the sharing of Members' speeches as well as the Council's information with the public by uploading the same onto these social networking websites. Information deemed worthy of sharing will get shared by members of the public, and the public will pay no attention to information considered not worthy of sharing. In this age of the Internet, an audience has the right to choose information. What is the age of the Internet about? That is the age when the audience not only have the right to choose information, but also to create information; they are both the audience and transmitter of information.

As we can see, people not only upload travel or food photos onto the social networking websites, but also share their views on current affairs including the political reform with others on the websites. As we often see, other users will leave comments on the shared posts. I still recall most vividly that on one occasion when I was severely criticized and falsely accused in an article of the *Apple Daily*, more than 200 comments of support were posted under the article. That is the beauty of the Internet. It is absolutely essential that our information is uploaded onto the social networking websites, so that the public will have a better understanding of the Legislative Council as well as its Members. For example, why some Members can get elected even though their speeches are of such an inferior standard, or why some Members blatantly oppose and antagonize the public — how nice that people can now make their own judgment.

Nonetheless, I think the Secretariat's mode of sharing on these social networking websites or its provision of content may impact on the public's reception of such information of the Council. In other words, what information will the Secretariat make available for public viewing? Of course, people would be more concerned about matters such as public policy decisions, the stands of different political parties or groupings on specific policies, or practical problems raised by Members on people's behalf, to be followed by the Government's response, and then tidbits. Tidbit footages such as Mr Christopher CHUNG's "pack it in" remark are also worth uploading because they reflect certain things. But how does the Secretariat select the content? That is really a tough question.

On the other hand, many Members have expressed concern just now about the legal issues involved. As I see it, insofar as Members are concerned, words spoken by me before the Legislative Council are protected by the Legislative Council (Powers and Privileges) Ordinance and exempted from legal liabilities. But if other persons upload footages containing my speeches onto the websites,

should the uploader be legally liable in certain ways? If the uploader is the Legislative Council Secretariat, it should not be, but for other third parties, especially those who upload footages of Members' speeches in the Council selectively with the intention of defamation — for example, a person gravely dissatisfied with a particular official is delighted to see WONG Yuk-man lashing out at that official in the Council, he then decides to share the video recording — would this incur any legal liabilities? I think it would depend on whether any legal action has been taken; and if so, the matter would be left for the Court's decision. These issues should not be matters of concern for the Council.

Hence, President, I totally support this decision of the Commission. The proposal is for a worthy cause and should be implemented as soon as possible. Thank you, President.

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

MR LEUNG KWOK-HUNG (in Cantonese): President, I am a bit unwell today and so I took a break. But when I heard "Yuk-man" clamouring here, I thought I should come down and say a few words, as we had also discussed this issue at a meeting of the House Committee.

I have no idea whether you agree to the uploading of Council proceedings to a social media website managed by the Legislative Council, but I think this is the best approach. Many Members are concerned that this may give rise to legal issues, and they query whether liability will arise if this is done on the order of The Legislative Council Commission (the Commission) or the Legislative Council. In my opinion, this will actually set a very good precedent. According to the Basic Law, the Legislative Council is accountable to the public and monitors the Government on behalf of the public. The Legislative Council has 10 major functions under the Basic Law, and you and I have often argued over these functions and expressed our respective views on what is right and what is wrong, and so on. Under the circumstances, what is better than making these proceedings public for people to watch? You often say "that is not what I said", "what I meant is this rather than that" or words to that effect during interviews or on other occasions. And you have explained time and again whether the President has the power to regulate Members' behaviour outside this Council. Things like this need to be explained.

In fact, Hong Kong people's knowledge about the Legislative Council is, to a certain extent, based on their curiosity and "nosiness" about interesting news. The President also knows that, as he himself is also a victim. What I am saying is that people seem to take news about the Legislative Council as something like gossip, rumours about celebrities, or titbits. So what is the best approach? It is to show the proceedings in their entirety; to video all speeches delivered here in their entirety and then make such videos public. In my view, we cannot avoid relying on the media to make second-hand or even third-hand reports, but this is not the most comprehensive approach. Some Members are afraid that if this is done, they may be asked to account for their words and even be held responsible — not legally responsible, but morally responsible — for what they have said, or be held accountable by their voters. However, I think it is appropriate for this Council to make public all discussions that can be made public.

If someone argues that this may lead to relevant persons being prosecuted or sued for defamation, I really think it is inconceivable, because there are already written records of most proceedings of the Legislative Council, and these versions have long been available and circulated in the community. Second, the remarks made by Members in this Council should be all true and unabridged. Therefore, if any person is prosecuted for the offence of defamation because of repeating the contents of such remarks, he can actually use the defence of "fair comment", that is, he can say that he is convinced that the remarks of Members of this Council are impartial and well-founded. There is no reason for this practice to result in prosecution for defamation and any consequential penalty. In my opinion, that absolutely will not happen.

Conversely, I think those who are against this practice at present have not considered one thing, that is, Members must be subject to monitoring. In what way can Members be monitored? It is that everything done by Members should be made public — of course I am referring to the parts relevant to their official duties, whereas what they say to anyone at home should not be monitored. This is because Members should be subject to public monitoring. So, when it comes to monitoring whether Members are discharging the 10 major functions set out in the Basic Law, the only way that can keep the public informed more easily is to adopt this practice. In fact, I have also uploaded my speeches to my website, including the clip showing Lawrence MA Yan-kwok scolding me in English. If the public enjoy watching it, they will watch more of it, right? Whether that person's remarks are right or wrong is another matter.

Actually, this may lead to a problem, that is, some people who speak in this Council may be held liable for defamation. While we as Members are immune from liability for what we say at Council meetings, other people who speak at some of our meetings may face this problem. Nonetheless, as people can still plead "faithful reporting" and "fair comment" in defence, I think it will be fine. Take filibustering as an example. It may take place again this year, and it may happen in just a moment, right? A filibuster lasts for a long time, and different people have different views on it. Some people say that Members who filibuster talk nonsense, just like me talking nonsense, while some say that the President is not fair — why was he so liberal at the beginning but so strict in the end? In fact, all one needs to do is to watch the recordings that have been made public. Justice is in people's hearts. So I think it is better for the Legislative Council to take on this responsibility than for Members to do so, because the Legislative Council is impartial in that, firstly, it is an institution with constitutional status and, secondly, relevant organs in the Legislative Council will monitor it. To be honest, we can also upload such videos to the Internet on our own, but then we can edit, alter and even tamper with the recordings anytime.

Therefore, if we as Members really want to subject ourselves to monitoring by voters, and really want our words to be heard by the public, we have no reason to oppose this motion. While individual Members may upload their speeches to the Internet, in which case they are free to make any deletions, it is better for the Legislative Council to centralize the release of such videos so as to ensure their impartiality. So I hope that all Honourable colleagues will support this proposal, and will not be misled into believing that we will be held responsible for any legal proceedings arising from this. President, I have sued you before, right? I hope that Honourable colleagues can be fairer when they speak. President, with respect to your decision to cut off the filibuster — actually people could also sue me for filibustering, only that no one has sued me — it would result in litigation too. So why did those colleagues still urge you to cut it off? It was because they considered that important. Yet, Members, is it more important to cut off a filibuster, or is it more important for us to make use of the latest technology to enable Hong Kong people to see clearly what we as Members of this Council say and do in discharging our duties? In my view, as far as the right to know is concerned, Hong Kong people should be entitled to this right, because the way in which we have been disseminating information is just too boring. We should put such information onto websites that are easily accessible to most members of the public, or make it available through channels that they can easily find and are happy to use. This will do people good.

I hope that Members can vote for and pass this motion today, so that our work will be better monitored. I think if we vote down this motion today ... We may use many "hypothetical" legal issues, so to speak, as excuses and say, "It is not that we do not want to make them public; it is just that we have yet to resolve certain legal issues and so we should put this on hold for now." President, this is really absurd. We are the legislature, right? If we are determined to do one thing, we can do it for sure, unless it is to turn a man into a woman. You are the President, and when you meet the bigwigs, you can say to them, "We from the Legislative Council wish to let the public see more of our work. Would you please amend the legislation to grant us immunity?" This is how we obtained the immunity we now have in the first place.

Previously when the immunity was stipulated to protect our right to speak, it was also based on the same ground, so that we would not be held liable for what we said here. With the progress of the times, we have to let more people know what we say, for which we have always been immune from liability, and if we encounter legal problems in the process, we should ask the Government to amend the legislation, because the Government wants us to monitor it, and we are in turn monitored by the public. It is like a situation where people ask the Government, "Is it all right for 'Hair' to throw bananas?" and the Government answers, "If he continues to throw bananas in the next term, he will 'run out of luck'."

Justice is in people's hearts, and we have to show the truth to the public. We only believe in one thing, which is people's independent judgment. That is why I think — I have no idea what the voting result will be later on. I have been crippled recently, so I have not been around as often as before and have not heard any rumour of how individual Members are going to vote, nor has anyone come to lobby me. In my opinion, should we vote down this motion proposed by our Commission today by reason of some so-called legal issues, it would be truly shameful, because the aim of this motion itself is to enable the public to better monitor us. If we say no and decide to veto the motion on the pretext that the legal advice sought by us points to potential problems, does it not mean that our legislature is nothing less than a rubber stamp?

If the Government refuses to submit legislation to the Legislative Council, then President, you may act on our behalf — no, you cannot propose legislation — perhaps you may ask Mr LEUNG Kwok-hung to submit a bill to amend the law. In that case, the Government must respond and explain how public money is involved, how immunity can be obtained, and so on. So I think this Council is

only trying to find a reason not to do its homework, like a child saying that he cannot do his homework because he is sick today or because he had a dream last night that he would drop dead after doing his homework, or something like that. This is out of the question.

Our logic should be that when we know there are loopholes in the existing legislation which make it more difficult for us to disclose or show the conduct and behaviour of all Members of this Council, we should break free from these shackles rather than binding ourselves with these shackles. The same applies to universal suffrage. If, according to the Basic Law, we are not allowed to realize our right to universal suffrage, then we certainly have to amend the Basic Law, right? It makes no sense to say, " 'Hair', you do have all the universal and equal rights in this world, but sorry, according to the existing Basic Law which was so drafted by mistake or on purpose due to reasons unknown back then, your rights cannot be realized anyway. Sorry, but please 'get lost'. If you still do not go by the Basic Law, you are being irrational and you do not respect the rule of law." This cannot be the case.

This motion today is a vivid example. When our law fails to be changed to keep abreast of the times, lawmakers and those in power cannot ... President, you also know that Karl MARX once said, "The dead seize the living." This is like a normal person being possessed by a ghost, which makes him suffer from diarrhoea and vomiting. So, on this point, I hope that Members will not learn from Carrie LAM to come up with any "fake rationality" or "fake rule of law". Instead, we should reflect on our duties and aspirations. Being accountable to Hong Kong people, we should "kill the Buddha if he stands in our way, and even kill our fathers if they stand in our way". Am I serious? Of course not. I am just saying this by way of an example.

In other words, we should get rid of the fetters of the existing legislation. So I really do not see who should vote against this motion today. It would be really weird for any Member to vote against it. Is it because he or she does not want to be monitored by the public? Does he or she think that it is better for us to hide ourselves when performing our duties? Secretary, do you think that it is better to operate in a black box, so that you can refuse to grant licences without having to give any explanation? This is not how we work here, as we have to be monitored by the public. So I hope that we can make a clean break with CY. Our decisions are not made by "one single man", but by the whole Council.*(The buzzer sounded)*

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon Mr Andrew LEUNG to reply. The debate will come to a close after Mr Andrew LEUNG has replied.

MR ANDREW LEUNG (in Cantonese): President, I am very grateful to the 10 Members who speak on today's resolution. I notice that some Members are concerned about the legal risks involved in the use of social media websites to disseminate information of the Legislative Council. When considering the use of social media websites, The Legislative Council Commission (the Commission) has already studied all the relevant legal issues and understood the potential risks involved. Nonetheless, after considering the relevant risks as well as the benefits of using social media websites, the Commission opined that, on balance, the benefits should outweigh the risks. Moreover, the legal issues involved are unlikely to be resolved in the near future, say, over the next few months because precedent cases are needed.

The Commission will alert users of social media websites by a notice to the potential risks involved, such as legal liability arising from infringement of third party copyright, and to seek their own legal advice, if necessary, when they redistribute meeting videos and photos on the Legislative Council YouTube channel and Flickr account.

Separately, there is one point which many Members might have overlooked slightly, that is, to preserve the integrity of meeting records, the Secretariat will upload meeting videos to YouTube in their entirety without any deletion. However, due to YouTube's current technical limitations, the Secretariat will upload the meetings by segments (for example, by agenda items) as needed.

The Commission will review the usage of mobile applications and social media websites by the Legislative Council in one year's time.

Lastly, I would like to thank the Secretariat for its hard work, which has enabled us to present the proposed resolution to the Council today.

President, I so submit and hope Members will support my motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): The fourth and the fifth Members' motions are motion debates 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 have another five minutes to speak on the amendments; movers of the amendments each may speak for up to 10 minutes; and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

PRESIDENT (in Cantonese): Fourth Member's motion: Promoting the economic development of Lok Ma Chau and Lantau Island.

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

I now call upon Mr WONG Ting-kwong to speak and move the motion.

PROMOTING THE ECONOMIC DEVELOPMENT OF LOK MA CHAU AND LANTAU ISLAND

MR WONG TING-KWONG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

I move the motion today in the hope that the Government will, in the light of the trend of infrastructure development in future, seize the opportunity to promote the economic development of Lok Ma Chau (LMC) and Lantau Island, so as to promote the sustainable economic development in Hong Kong by attracting tourists and creating employment opportunities. My speech will concentrate on two parts, namely setting up a business and shopping centre in LMC, and promoting Lantau Island's economic development.

Let me first talk about the business and shopping centre. With booming tourism in recent years, large number of tourists, mainly Mainlanders, come to Hong Kong for shopping, which has in turn brought about the rapid development of various industries, such as retail, accommodation services, catering services, transportation and personal services. Between 2006 and 2011, these industries grew at an average rate of close to 15% annually, far higher than the 5% or so growth rate of Hong Kong during the same period. On the whole, the tourism industry employs over 200 000 workers and bring in over \$80 billion in terms of economic revenues a year, which is truly an economic pillar of Hong Kong.

Benefiting from the booming tourism industry, various trades and industries are reaping great profits, which is a precious fruit of economic success. However, with this success, it also brings about hidden worries including the various problems caused by too many people, too little land and insufficient facilities. It is a well-known fact that at present, there is a bottleneck as regards the receiving capacity of the local tourism industry. Hordes of tourists crowd into various facilities, push up rents and commodity prices, and adversely affect people's daily life.

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

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has earlier conducted a study on the relevant issues and found that with

the growing popularity of the Individual Visit Scheme (IVS), Mainland tourists' consumption habits have some subtle changes. As they come to Hong Kong more frequently, their main purpose has changed from sightseeing to shopping and as they like to make day trips, more and more of them have changed their shopping destinations from the traditional shopping hotspots such as Mong Kok, Causeway Bay and Tsim Sha Tsui to new towns in the New Territories. Their prime concerns are wide varieties of goods, comfortable shopping environment and convenient transportation.

The shopping malls along the railway lines in the New Territories can fully satisfy these new consumption needs. Besides being easily accessible, these shopping malls have undergone overhauls in recent years, attracting brand name stores, and feeder services are also provided. To many Mainland tourists, they no longer have to go to Mong Kok, Causeway Bay or Tsim Sha Tsui for shopping, as the new shopping malls in the New Territories can already satisfy their needs.

However, with such a change in tourists' consumption habits, the towns in the New Territories have become increasingly crowded, which affects the daily lives of local residents, making it hard for them to buy daily necessities. Take for example Landmark North in Sheung Shui and New Town Plaza in Sha Tin. During peak periods, there are more people in these New Territories shopping malls than in those in urban areas. Originally, the shopping malls in the New Territories mainly served local residents but now they are packed with tourists. One can imagine the plight of local residents.

The present problem facing us is insufficient commercial space. Hence, the DAB published the Proposal on Setting up a Commercial Centre in LMC South in September last year. It was proposed that a business and shopping centre should be set up near the border to serve the entire territory but with tourists as the main target, so as to promote the development of various industries and trades, such as retail, exhibition and sales, catering, commercial and related industries. In this way, our reception capacity can be increased, the development bottleneck can be cleared and at the same time tourists can be diverted from the new towns. All these facilitate the development of district economy and the provision of additional job opportunities for residents in the New Territories. In particular, in consideration of the government plan to increase the development intensity and the proportion of public housing in the Northeast New Territories New Development Areas, there are even more

practical needs for the development of this business and shopping centre to relieve local residents' plight of being trapped with little prospect of employment.

We suggest that the centre should be constructed at an "undetermined" site close to LMC Control Point, west of Chau Tau Village and north of San Tin Interchange and be named the "Lok Ma Chau South Business and Shopping Centre". This site is close to the border control point which can be easily connected to the excellent underground railway system in Shenzhen and the Futian Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. If the district can be developed into a place with trading, retailing, catering and entertaining facilities, it is undoubtedly the most convenient attraction for visitors travelling under the IVS. The whole project will greatly benefit both Hong Kong residents and Mainland visitors, achieving two goals in one go. Members can read our proposal for the details and we hope that the Government will seriously consider this proposal.

Of course, from a macroscopic point of view, the development of LMC cannot depend solely on the business and shopping centre that we propose. The LMC Loop is the key point of co-operation between Shenzhen and Hong Kong and after years of study, it has been determined that the area will be developed with higher education as the leading land use, complemented by high-tech research and development, as well as cultural and creative industries, so as to promote the sustainable economic development of Shenzhen and Hong Kong. All these are ambitious plans and we urge the Government to implement them as soon as possible. We also hope that the Government will take on board our proposal of setting up a business and shopping centre in order to add another highlight in LMC.

After LMC, I will now talk about Lantau Island. As we all know, the Hong Kong-Zhuhai-Macao Bridge (HZMB) will be completed in 2016. After so many twists and turns, the HZMB that straddles three places and costs tens of billions of dollars is about to be completed. It is expected that the HZMB will allow the convenient movement of residents of the three places and create an integrated living circle. Earlier, a scholar, Mr Raymond SO, Dean of Business, Hang Seng Management College, had pointed out that if Hong Kong could capitalize on the opportunities brought by the completion of the HZMB, it will reap additional economic benefits amounting to \$100 billion in the next decade. On the contrary, if we fail to take good advantage of this wonderful opportunity,

the HZMB will "suck" the tourists out of Hong Kong to other cities, and our investments in this enormous project will benefit others instead.

There are always two sides of the same coin. Mainland cities are our partners as well as our opponents. I need not elaborate on why they are our partners. For years, trading between Hong Kong and the Mainland are mutually beneficial and co-operation has never ceased. But in the course of a competition, both sides have to make their own efforts to compete against each other, which will induce a healthy competition.

In a competition, opponents will not wait for others. It has been widely reported that in the light of the impending completion of the HZMB, Macao and Hengqin are developing at full speed. Macao has already embarked on large scale construction of new casinos and hotels. It is expected that over 50 000 hotel rooms will be made available in 2020. The first phase of the development plan in Hengqin is scheduled to complete in 2015 and it is expected that over 15 000 hotel rooms will be provided. On the contrary, there are only about 3 000 hotel rooms on Lantau Island, which is the bridgehead of the HZMB. As regards the plans for further development, there is all talk but no action. In respect of commercial space, the Shizhimen Central Business District in Hengqin will be completed in 2015 with a total gross floor area of 11 million sq m, which is 100 times larger than the area of Time Square in Causeway Bay. On the other hand, there is only a small shopping mall and limited office area on Lantau Island, and even taking into account the second phase development of the shopping mall, the total area will only be 125 000 sq m, which is only 70% of the total area of Time Square.

With the international airport, SkyPier, Disneyland, the AsiaWorld-Expo, Ngong Ping 360 and many natural and ecological resources, Lantau Island should also be a major economic centre, apart from being a major tourist attraction spot. But as we all know, Lantau Island, including Tung Chung, is a district with serious poverty problems. Evidently, the strengths of Lantau Island have not been given full play.

The completion of the HZMB provides a great opportunity for the development of Lantau Island. We should capitalize on the advantage of this logistic network and spare no efforts in developing the "bridgehead economy" by formulating a sound infrastructural planning, constructing shopping centres,

hotels and other tourism facilities, perfecting the traffic network and turning Lantau Island into the highlight of the HZMB and a district economic hub.

Deputy President, Mr LEUNG Chun-ying, the Chief Executive, once put forward the concept of "capitalizing on local opportunities". The subject of today's motion is about LMC and Lantau Island and both places are rife with opportunities but opportunities are only available to those who are well prepared. We must take action now to grasp this wonderful opportunity as the fruits brought by the development of these two districts will benefit all people in Hong Kong. With these remarks, I hope that Members will support my motion.

Mr WONG Ting-kwong moved the following motion: (Translation)

"That this Council urges the Government to expeditiously study the setting up of a business and shopping centre in Lok Ma Chau and, in the light of the impending completion of the Hong Kong-Zhuhai-Macao Bridge, build more hotels and shopping malls on Lantau Island, so as to stimulate the economic development of the areas concerned."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr WONG Ting-kwong be passed.

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

I will first call upon Ir Dr LO Wai-kwok to speak, to be followed by Dr KWOK Ka-ki, Miss Alice MAK and Mr Charles Peter MOK respectively; but they may not move amendments at this stage.

IR DR LO WAI-KWOK (in Cantonese): Deputy President, first of all I would like to thank Mr WONG Ting-kwong for proposing the motion on "Promoting the economic development of Lok Ma Chau (LMC) and Lantau Island" today. The original motion urges the Government to expeditiously study the setting up of a business and shopping centre in LMC, not only to capitalize on the geographical advantages and flow of people at the border, but also help to alleviate the pressure

of popular shopping spots in Hong Kong, Kowloon and the New Territories, which are already crowded to capacity. As we are aware, although Renminbi has appreciated, many Hong Kong people still like to go to the Mainland for shopping. As soon as they cross the Lo Wu Control Point, they can go shopping or engaging in all kinds of consumer activities at Luohu Commercial City, which is indeed very convenient.

At present, many Mainland tourists come to Hong Kong to spend money every day, which puts a heavy strain on various complimentary facilities in Hong Kong. If we set up a business and shopping centre in LMC, Mainland tourists can go shopping immediately after they have crossed the border, they even do not need to take the train to the urban areas. This will not only boost the appeal of the local retail industry, but will also help to divert the tourists to shop in other places, separating them from local residents, so as to reduce unnecessary conflicts between them at certain shopping hot spots in the urban areas.

For example, if a business and shopping centre is to be set up at the boundary control point in Hong Kong, we can set up designated shops to sell infant powdered formula to Mainland tourists, the effect of sales diversion can then be achieved. In this way, the situation of local mothers and Mainland tourists scrambling for powdered formula in the same place can be avoided. Of course, the LMC Loop has other development potentials. The key is whether the SAR Government has the insight and resolution to develop the area.

Another main point of the original motion is the development of Lantau Island. Members may recall that there was a motion debate on "Developing a new North Lantau" in this Council on 6 February last year. It is obvious that various sectors in society and Members have attached great importance to this subject. The aim of my amendment today is mainly to appropriately extend the scope of study to cover the overall development plan of Lantau Island and also the development of diversified industries, so as to capitalize on the geographical advantage of Lantau Island and promote the sustainable development of Hong Kong.

As a matter a fact, the discussion on the development plan of Lantau Island did not begin one or two years ago, but the plan has been studied and revised time and again over the years. After the establishment of the SAR Government, former Chief Executive Mr TUNG Chee-hwa set up the Lantau Development Task Force in 2004 and drew up the Concept Plan for Lantau. Following the

public consultation, the Government published the revised concept plan in 2007 and proposed to construct the Lantau Logistics Park, holiday facilities in Lantau South, and so on.

When Donald TSANG was the Chief Executive, he put forward in his 2007 Policy Address 10 major infrastructure projects, including the Hong Kong-Zhuhai-Macao Bridge (HZMB), the Tuen Mun Western Bypass and the Tuen Mun-Chek Lap Kok Link, which were all centred around Lantau Island. In the 2009 Policy Address, it was proposed to set up a recycling centre in Siu Ho Wan on Lantau Island to recycle food waste generated by the commercial and industrial sectors.

In paragraph 80 of the 2013 Policy Address, the incumbent Chief Executive mentioned about Lantau Island again, indicating that the authorities were "conducting the Tung Chung New Town Extension Study ... to explore in earnest the development potential of Lantau Island and areas along the trunk routes in New Territories West."

However, regrettably, the subject still remains at the conceptual stage and the authorities have yet to come up with a comprehensive plan to the satisfaction of various social sectors. This indicates that the authorities lack a holistic concept, clear positioning and comprehensive planning of the development.

Given the vast expanse of Lantau Island, there are plenty of sites that have development potential. More importantly, with the successive completion of cross-boundary infrastructure projects in the vicinity, for example, the HZMB to be completed in 2016 and the Tuen Mun-Chek Lap Kok Link to be commissioned in 2018, the "one-hour living circle" among Guangdong, Hong Kong and Macao is gradually becoming a reality. Besides, with the third runway of the airport under planning, the cross-boundary flow of people and goods will certainly further increase and Lantau Island has infinite potentials for development.

Deputy President, how should we plan the development of Lantau Island? What is our focal point? I think we must take full advantage of the favourable conditions of Lantau Island while making sure that keen demands arising from the development of the economy and industries in Hong Kong will be met.

On the one hand, housing is the foremost livelihood problem troubling the public. According to findings of the public consultation on the Consultation

Paper on the Long Term Housing Strategy completed early last month, it is estimated that in order to satisfy the demand of society, the total number of housing units to be produced in the next decade will have to be between 440 000 and 500 000. However, given the acute shortage of land reserve, the planned Lantau development will at least provide some new sites for housing and commercial development.

Stage 2 Public Engagement for Tung Chung New Town Extension Study was only completed in July last year and the findings have yet to be published. But according to the existing proposal, it is estimated that 120 hectares of land can be reclaimed in Tung Chung East, which can provide 33 000 to 38 000 housing units. While the reclamation in Tung Chung West is to be reduced to 14 hectares, it will still be able to provide 15 000 units. The development of a new town in Tung Chung will no doubt relieve Hong Kong's housing demand.

On the other hand, the cross-boundary traffic network and infrastructures on Lantau, including the HZMB, port and airport, will bring in endless streams of people and goods. With proper planning, they can be turned into economic benefits, providing employment and entrepreneurial opportunities at various levels for residents of Lantau, as well as other people over the territory. Regarding the types of industries to be developed, I think the authorities should actively consider any industries that have high added value and diversity. Apart from capitalizing on the opportunity to develop tourism and convention and exhibition industries, the authorities should also satisfy the needs for the development of logistics and green industries.

Take for example the logistics industry. The logistics services straddle the areas of sea, land and air transport. With the first class transportation facilities and traffic networks on Lantau Island, coupled with the high productivity in the neighbouring Pearl River Delta Region, Hong Kong can develop into a logistics hub and a supply-chain base to link the Mainland with the world market.

Since 2003, the Hong Kong Government had started to study the need for the development of a Logistics Park to provide designated facilities for integrated logistics services and an feasibility study of the Lantau Logistics Park Development plan was embarked in early 2005. However, when answering Members' relevant questions, government officials only reiterate that they "would

continue to watch closely the development of the Lantau Logistics Park". Is this another example of the Government's practice of "discussing without making decisions and making decisions without taken actions"? I think the Government must give us a clear account of the progress of planning and the timetable for setting up the Lantau Logistics Park.

Let us take the green industry as an example. It was pointed out in the 2013 Policy Address that food waste posed a serious problem as it accounted for about 40% of total waste disposed of in landfills and the Government would build modern facilities in phases for recovery of organic waste, so that it could be converted into energy, compost and other products. Concerning this, the Government has not given any further details. Owing to environmental constraints to the sites of the Organic Waste Treatment Facilities at Siu Ho Wan on Lantau and Sandy Ridge in the Northern District, the possibility of expansion is restricted. Hence, in the Hong Kong Blueprint for Sustainable Use of Resources 2013-2022 published in May 2013, it was stated that there was a need to identify sites for the third and more Organic Waste Treatment Facilities. Should this be included as one of the important factors for consideration in the future development of Lantau which is yet to be planned?

Deputy President, for the early formulation and implementation of the long-term overall development plan of Lantau Island, I think the authorities must set up a high-level inter-departmental Lantau Development Committee which may be chaired by the Financial Secretary. To ensure cross-sectoral representation of the committee, apart from Directors of various Policy Bureaux such as the Development Bureau, Transport and Housing Bureau, Commerce and Economic Development Bureau, the Environment Bureau and Home Affairs Bureau; the membership should also include representatives of professional sectors such as planning, construction and engineering; representatives of the tourism, logistics and green industries; as well as residents of Lantau Island and the neighbouring areas, so as to pool the wisdom of the masses and formulate practical proposals.

I implore colleagues to support my amendment.

Deputy President, I so submit.

DR KWOK KA-KI (in Cantonese): The motion proposed by Mr WONG Ting-kwong today has given us the chance to look at the contribution of the development of Lok Ma Chau and North Lantau to the Hong Kong economy and also the real difficulties faced by residents of Tung Chung and North Lantau. I believe that residents of Tung Chung will have strong feelings on this subject of debate today because since 1997, they have been at the forefront to contribute to our economy. It is a well-known fact that when people moved in Fu Tung Estate or Yu Tung Court, the first housing estates in Tung Chung, there was no MTR service in Tung Chung, residents had to travel very long distance by bus between Tung Chung on Lantau Island and the urban areas and the fares were very high. It was only a year later that the MTR Tung Chung Line commenced service.

Other than that, whenever we think of Tung Chung, Deputy President, please try calling the Hong Kong Observatory to ask about the current air quality health index, we can very often see that Tung Chung is marked red. Tung Chung is one of the places in Hong Kong with the most heavily polluted air. Therefore, in the eyes of local residents, the Government seems to be most concerned about implementing important economic development measures in the district, but as regards their livelihood, as well as the inadequate social infrastructure facilities and community services, the Government has never paid much attention.

Just a few days ago, the North Lantau Hospital finally commenced phase 2 of the long-awaited Accident & Emergency (A&E) service, extending the service duration from eight hours to 16 hours per day. We have waited 16 years. After a long wait of 16 years, comprehensive medical and A&E services are still lacking. Therefore, residents would definitely not oppose economic development and as a matter of fact, economic development will bring about many employment opportunities. As we all know, residents of the housing estates in Tung Chung are the main source of cheap labour for the airport. As the transport expenses for working in the urban areas are very high, these residents do not have much bargaining power. It is precisely because of this that operators providing complementary and support services within and around the airport take advantage of this situation and pay a relatively low wage to hire these residents. The residents have long contributed to the Hong Kong economy but what do they get in return? Has the Government ever taken care of their needs?

Let me talk about the most serious problems like air pollution. Not too long ago, an air pollution expert conducted air quality tests in Yat Tung Estate and found that there were 110 ug of fine suspended particulate matter (PM2.5) per cubic metre of air. For every cubic metre of air residents of Yat Tung Estate breathed in, there were 320 000 PM2.5, five times of the standard set by the World Health Organization. People do not have to be a doctor to know that this suspended particulate matter has direct impact on patients suffering from chronic diseases such as coronary disease and stroke. Some preliminary scientific research has even found that some medical oncology, especially lung cancer, is related to these suspended particles. For example, in Beijing, the lung cancer incidence rate has risen 60% over the past decade. This is not a new problem. Tung Chung residents have long been plagued by problems arising from the development and Tung Chung is also the place worst affected by the development in the neighbouring Pearl River Delta Region.

The second is the traffic problem. Members may learn that more than a year ago, the MTRCL suddenly showed mercy to introduce the Tung Chung — Hong Kong Monthly Pass. People may think it is a benevolent deed and can help many Tung Chung residents. But they are mistaken as this Pass only reduces the cost travelling from Tung Chung Station to Hong Kong Station or to Nam Cheong Station; but for trips to other stations along the MTR lines or for feeder transport, including the MTR or buses, no significant cost reduction is offered. At present, the fare for an adult Octopus user remains at \$20.2 per trip and the total fares a month will exceed \$1,000. The total traffic expenses for a family of four will be a few thousand dollars. Even if the Government proposes to extend the MTR line to Yat Tung Estate, the proposal will only be raised during the next phase of development; and then we have to wait for reclamation. By then, the population will increase from under 80 000 at present to 220 000, which meets the requirement for providing an additional MTR station. We can see that apart from promoting economic development in Tung Chung, has the Government done anything for the benefit of the local residents?

All along, we have requested other shopping options apart from shopping malls run by The Link and other big shopping malls. Mr WONG, we totally agree to the implementation of "bridgehead economy", but to Tung Chung residents, it will not benefit them much. We all have an idea about what newly developed shopping malls are like. There are jewelry shops, goldsmith shops or shops selling very expensive goods. To local residents, they still have no choice. They can only shop at shopping malls either run by The Link or other

big consortia such as the Swire Group. We all know that shopping malls in Tung Chung are packed with Mainland tourists every day and most of the goods sold are unaffordable to Tung Chung residents. We only have a simple and humble request. All we wish is a standard public market and cooked food centre run by the Food and Environmental Hygiene Department. We have waited a decade and when we ask the Government again, its response is still the same, that is, no response.

In Tsuen Wan Market, one can buy six apples with \$10, but one can only get two apples in the market in Tung Chung with the same amount of money. Misfortunes never come singly. Yat Tung Estate in Tung Chung is almost the poorest estate in Hong Kong which has the highest proportion of recipients of government assistance among its residents. Many grass-roots and new arrival families are trapped in Tung Chung with little chance of finding employment. Leaving employment aside, let us talk about starting up a business. We have repeatedly asked the Government whether it will allow some flea markets or micro economic activities — the Secretary also knows what micro economy is and we have no need to go into details — or holiday bazaars to be set up in certain areas but the Government turns down our request every time. Rather than making available those sites for people to start up some small or micro economies so that they have more options and another way out, the Government just leaves these sites to "sun bathe" every day.

Therefore, if Mr WONG's wish is granted and implemented, there will be a fancy shopping centre or many five-star hotels at the bridgehead of the Hong Kong-Zhuhai-Macao Bridge, but what extra benefits will residents of Tung Chung get? They will have to face more traffic problems and commodity prices will be pushed up. They will have to depend on the Government's mercy to hand out the services they need; or when there are accidents involving tourists, more hospital beds may be provided to cater for the tourists. Local residents can only use such medical services when tourists have no such needs. Or if there are such needs, the hospital may even provide obstetric services, but everything will depend on the needs of the economic development.

Therefore, although only Secretary Gregory SO is present here today, I hope the Government will respond to us: Concerning the population in Tung Chung, either the present population or the projected 140 000 people in the future, apart from promoting economic development in its overall planning, what

will it do to being benefits to the tens of thousands of Tung Chung residents who have suffered great difficulties over the past 10-odd years?

I so submit. Thank you, Deputy President.

MISS ALICE MAK (in Cantonese): Deputy President, first of all I would like to thank Mr WONG Ting-kwong for proposing this motion today, giving us the chance to discuss the development of Lantau Island again, and also discuss the development of Lok Ma Chau (LMC) Control Point, which has rarely been mentioned.

I agree to the original motion. Particularly, in the light of the impending completion of the Hong Kong-Zhuhai-Macao Bridge, Hong Kong must seize this opportunity and formulate a plan for developing ancillary support. The Federation of Trade Unions is especially concerned about how to stimulate the development of local economy, thereby creating more employment opportunities for the grassroots in the local district. We hope that these economic activities can create more employment opportunities in the district for the grass-roots residents, so as to alleviate their livelihood burden and reduce the need for working across districts.

In the original motion, Mr WONG mentions about the economic development of LMC which we consider very important. Concerning LMC, other than the development of the LMC Loop and the commissioning of the LMC Station in 2007, we do not seem to have heard anything about the prospective development or facilities in the vicinity of LMC. On the contrary, there are robust activities in the new economic zone of Huanggang in Shenzhen which is just separated from Hong Kong by a river. Of course, the commercial and shopping centre proposed by Mr WONG in the original motion will not be like what people imagine to be, a shopping mall where powdered formula is available. We expect that this site will be used for developing higher education or developing cultural and creative industries, so that we can optimize the site and seize the opportunity for development.

As a directly elected Member from New Territories West, I am especially concerned about the economic development of Lantau Island. In February last year, the Legislative Council debated the motion on "Developing a new North Lantau" and I moved an amendment, which included opening up Lantau Island

and stepping up the development there. Our ultimate aim is that more employment opportunities will be created in the district through various economic activities.

Going back to the proposal about building shopping malls and hotels on Lantau Island in Mr WONG's original motion, we think such a concept and development are certainly needed in the area in the vicinity of the Airport, but we should not forget that the hotels and shopping malls all over Hong Kong are selling the same merchandise, and no matter the malls are in Aberdeen, Tai Koo Shing, Admiralty, Central, Festival Walk or any other places, they are all the same. I believe that if we truly want to promote the development of Lantau, we cannot rely solely on building a big shopping centre because it will not appeal to local residents or tourists. On the contrary, we should, through "on-street economy" ... We always stress "on-street economy" because we find that in some districts, even if there are big shopping malls or commercial buildings, there is still room for small shops on the streets nearby for development.

I believe that Members still remember that the former Kai Tak Airport was very near to Kowloon City. I have a friend who has worked as an air stewardess for a long time when Kai Tak Airport was still in service. She told me that she and her colleagues liked to go to a certain noodle shop in Kowloon City to eat "cart noodles" after work or when their flights were delayed. She said that tourists had less grievance at that time when their flight was delayed because they could go to Kowloon City for food. As regards her co-workers, be they flight attendants and workers in other positions in the airport, they all liked to go to Kowloon City for food after work. Hence, Kowloon City is still a popular area for food in Hong Kong today.

However, let us look at the present situation on Lantau Island. In Tung Chung, the closest town to the airport, no shops or eateries remain open after 10 pm. Even for workers in the airport, there is nothing to attract them to spend money on Lantau Island, let alone tourists. We know that even the biggest shopping centre in Tung Chung or Lantau can hardly attract any flight attendants living in Lantau to shop there. There are a number of big housing estates in Tung Chung and some flight attendants, pilots or aircraft maintenance workers may be living in these housing estates, but none of them will shop in that shopping mall because the goods there have no appeal to them. Some colleagues have said just now that the business of the shopping mall is robust but all their customers are Mainlanders because the mall has undergone restructuring

and all shops are the so-called outlets. The goods sold there are very cheap and only discounted brand name goods can be sold there. Hence, to bring new developments to Lantau, it cannot be achieved by building shopping malls or grand hotels alone because they no longer attract tourists or local residents. We suggest that the Government continue to develop "on-street economy" and the concept of bazaars as only this can attract tourists.

I believe that even if people have never been to Taiwan, they might have heard of the most famous Shilin Night Market, Raohe Street Night Market and Tonghua Street Night Market. Even if they have already taken the local mala (numbing and spicy) hot pot at dinner, they will still take a stroll in the night markets at mid-night, because people feel that if they do not visit the night markets, they have not been to Taiwan at all. Likewise, tourists in Thailand will always visit the night markets in Bangkok, because not going to the night markets is like not having been to Bangkok. Many places flaunt their night markets as a tourism attraction but there is no such place in Hong Kong. Not only there is no night market, even daytime bazaars are non-existent.

I propose in my amendment to develop "on-street economy" and bazaars, not just for providing employment and business opportunities for local residents and small business operators, but also for attracting more tourists to shop or spend money in the district through the development of such features.

Regarding the current development of Lantau Island, one of the greatest limitations is transportation. In theory, with transportation fees so high, it should have restricted local residents from leaving Lantau or Tung Chung to go elsewhere to spend money but as I have just mentioned, because of the structure of the local shopping centres and shops, they cannot attract people to spend money there. However, the grassroots cannot shop outside the district because of the high transportation fees. Therefore I propose in my amendment to reduce the local residents' burden of travelling expenses by providing them with more concession on monthly tickets. In particular, regarding the extension of the Tung Chung Line which some colleagues have mentioned just now, we think the Government should fulfil this promise made to residents of Yat Tung Estate in Tung Chung and construct the extension of the Tung Chung Line expeditiously for the benefit of residents in Tung Chung West.

Moreover, as the patronage level of the SkyPier on Airport Island is rather low, we should better utilize it by opening it to non-airport passengers, for

example, opening ferry routes to Sunny Bay (Disneyland), Park Island, Tsuen Wan and other districts. Through providing various modes and cheaper and more convenient means of transportation, we can encourage residents of Tung Chung and other parts of Lantau or tourists to spend money on Lantau Island.

I also propose in my amendment that the Government should study the abolition of the toll for Tsing Ma Bridge which I believe will be highly conducive to the future development of Tung Chung or Lantau Island. The abolition will not only reduce the travelling expenses of local residents, but also benefit the tourists who live in hotels on Lantau Island, if there are hotels ... At present, tourists are not willing to stay in hotels on Lantau Island because of the high travelling expenses they have to pay every time they go out. If the toll of Lantau Link is abolished, tourists will have one more choice and they will be willing to stay in hotels on Lantau Island as they need not worry about the high travelling expenses.

With these remarks, Deputy President, I hope that Members will support my amendment. Thank you.

MR CHARLES PETER MOK (in Cantonese): Deputy President, I would like to thank Mr WONG Ting-kwong for his motion on "Promoting the economic development of Lok Ma Chau and Lantau Island" today. Lok Ma Chau is adjacent to Shenzhen while Lantau Island will be connected to the Pearl River Delta (PRD) Region through the Hong Kong-Zhuhai-Macao Bridge (HZMB). A number of infrastructural projects and planning are being carried out in these two areas with geographical advantages.

I agree with many Members who have just spoken that we should seize the opportunities but I believe that creating opportunities is more important. I believe we cannot just compete against our neighbouring cities in terms of the number of hotel rooms and retail opportunities. We should have a longer-term perspective and consider whether our economic development will still be dependent upon these industries such as the services sector 30 to 40 years later and whether it is sufficient just to provide travellers with facilities. Of course, this is necessary but I wonder if this is sufficient.

I agree that the Government and the community should pay greater attention to the innovation and technology industry though some commented that

the industry may not be able to immediately create a large number of job opportunities. Their views may not be right and we cannot ignore the long-term economic viability of the innovation and technology industry. It is because the information technology industry has promising potential to become the locomotive and engine for the economic development of Hong Kong, and it has significant functions, which include creating new trades, fostering scientific and technological talents, enhancing efficiency and assisting in the adjustment, upgrading and restructuring of the existing industrial structure.

A press conference was convened by me this morning to fight for setting up a technology bureau and we had the support of 40 plus organizations. I know that Dr Elizabeth QUAT and Ir Dr LO Wai-kwok also convened a press conference yesterday; they conveyed the same message and dozens of industry players attended and supported them. As we have clearly noticed, Members from different political parties and groupings have made such a request. Certainly, this is not the theme of my amendment. Concerning the original motion and my amendment, when Members consider the economic development of these two areas, in addition to building more shopping malls and hotels on the ample land available, the Government should also provide land and facilities to complement and support the development of the innovation and technology industry, especially the co-operation between Hong Kong and the Pearl River Delta in this connection.

The technology sector has a longer investment cycle, higher risks and more variables. The Government's investment of resources such as land and infrastructural projects is very important to research and development (R&D). A comparison of the R&D expenses of various economies under the Organization for Economic Co-operation and Development in 2012 showed that, the average expenses of Singapore and Taiwan in Asia were higher than 2.2% of GDP; for Korea and Japan, they accounted for 3.5% of GDP. However, the R&D expenses of Hong Kong only accounted for slightly more than 0.7%, lagging far behind other countries and regions. We really should try hard to catch up. This is not just about money, we also need policies and tax incentives, to support these private enterprises' investment in this respect, and the supply of land is also essential. Therefore, I think Hong Kong should seize the opportunity, and invest without delay some resources in scientific and technological development, as well as technology research and application, so as to improve the technological level and business values, and promote development towards being an economy that is high value-added, diversified, sustainable and knowledge-based.

I have said more than once in this Chamber that education and technology can not only support the development of Lantau Island and Lok Ma Chau that we are discussing today, but also support the development of our economy as a whole, as well as the sustainable economic development. Information and innovation and technology can create job opportunities in the newly developed areas in Hong Kong and contribute to the diversified development of Hong Kong. While we require the Government to increase the "quantity" of job opportunities, there is also a need to increase the types and quality of jobs.

The Lok Ma Chau Loop is positioned as a higher education and scientific and technological development area. Nearly 23% of the land in the area has been earmarked in earlier planning for educational purposes, and it is expected to accommodate up to 24 000 students and create approximately 29 000 jobs. Based on the proposed outline development plan, the Loop, with a gross floor area of 410 000 sq m, will be developed into a zone for cross-boundary knowledge and technology exchange, a zone for high-tech R&D, as well as a zone for cultural and creative industries. These facilities are urgently needed in Hong Kong.

Lantau Island is situated near the PRD Region and it is a very important place for local and cross-boundary transport infrastructural projects including the HZMB and the Tuen Mun — Chek Lap Kok Link. With the commissioning of many new facilities in the next few years, Lantau Island will be an important land route and the pivotal point for travelling to Mainland and international destinations. Other new development areas in the Mainland near Hong Kong such as Qianhai will focus on the development of technological services and the information service trades, and the development is expected to become mature by 2020. We have also noticed that the development of Guangzhou Nansha's Information Service Industry Park also includes the development of data centres. The technology sector in Hong Kong would like to step up co-operation, and Lok Ma Chau and Lantau Island nearby may use this advantage to become the base for co-operative development by the technology sectors in Hong Kong and China.

Setting aside part of the land in the two areas for scientific research, data storage and other purposes can create synergistic effects and facilitate development. For example, as mentioned earlier, 10 hectares of land in the Hung Shui Kiu New Development Area has been planned for use by the information technology and telecommunications industries.

In recent years, the Government has set up a few R&D centres to promote commercialization of R&D results, help industries develop high value-added products and strengthen co-operation with organizations in the PRD and other international institutions. Given the number of first-year-first-degree places funded by the University Grants Committee each year, fewer than 20% of students of the right age can enter universities, which is obviously not enough.

As for the development of higher education in the Lok Ma Chau Loop, I think the Government should also increase the funded undergraduate places in Hong Kong, to provide students with more opportunities to receive technology-related education. I also hope that there can be additional postgraduate places in engineering and innovation and technology, so that Hong Kong can nurture more talents to cope with the future development of these industries.

Since a few years ago, the Government has actively promoted the development of data centres but some international companies such as Google which intended to construct data centres in Hong Kong suddenly announced the abolition of such plans. Of course, we are very much concerned and disappointed. According to media reports, the reason is the high costs in Hong Kong and it is very difficult to identify land for further expansion. Thus, we must give the international community a message to help them realize that we have set aside some sites for their further development. We are not making plans year by year which will make long-term planning impossible.

There are two proposals in Miss Alice MAK's amendment about new technology-intensive industries and higher education. As we have exactly the same orientation, I support these two proposals and other proposals. These two proposals are "to develop new industries such as research and development of new technology-intensive industries, cultural and creative industries and the environmental industry, and so on, in Lantau Island and the Lok Ma Chau Loop, so as to create more positions at the middle and low levels for providing residents with various employment opportunities". I think high-level jobs can actually be created such that employees at all levels will be benefited. Another proposal is to construct training colleges in the Lok Ma Chau Loop. I also totally agree with this.

Indeed, there is a limited land supply in Hong Kong and I understand that Members may have very different views on the needs of the residents of Lok Ma

Chau and Lantau. I also understand the importance of creating jobs to economic development in certain areas; for instance, business, shopping and tourism will bring about direct economic benefits. I just want to comment further in today's debate that, in addition to those aspects mentioned earlier, we should have sufficient land for long-term land use planning as this is indispensable to economic development. The Government should also provide land and resources for high value-added scientific and technological industries. These measures are equally useful in promoting economic development in individual areas in Hong Kong and the overall economic development, as well as creating better and more useful employment opportunities.

Lastly, the Government must have a comprehensive and overall policy on science and technology. As we cannot think of any solutions, we hope the Government would set up a technology bureau as soon as possible.

I hope Members would support my amendment. Thank you, Deputy President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, I thank Mr WONG Ting-kwong a lot for proposing this motion today, and I would also like to thank Ir Dr LO Wai-kwok, Dr KWOK Ka-ki, Miss Alice MAK and Mr Charles Peter MOK for their amendments, which have given us the opportunities to exchange views on how to further promote economic development in Lok Ma Chau and Lantau Island and other issues of concern relating to these areas.

Mr WONG's original motion and the amendments of a few Members involve a number of policy areas, including economic and industrial development, land planning, infrastructure development and transport support facilities in these areas. Although a considerable part of these proposals do not fall within the ambit of the Commerce and Economic Development Bureau, I will listen carefully to the views of Members, including those who are going to speak later. I will then make a comprehensive response on behalf of the Government and convey Members' views to the Policy Bureaux concerned after the meeting.

First of all, I will give a general report of the economic development in Lok Ma Chau and Lantau Island at present. Concerning the development of Lok Ma Chau, the Government had earlier significantly reduced the coverage of the

frontier closed area, in response to the request of members of the public and local community. For instance, the former closed area between Lok Ma Chau Boundary Control Point and Ng Tung River has been reduced. The Government agrees that in-depth discussion is needed on how to utilize the land released from the frontier closed area, and we will listen carefully to the views of all sectors.

Moreover, the Lok Ma Chau Loop connecting to Shenzhen is a major project for promoting co-operation between Hong Kong and Shenzhen. After collecting public views, the authorities decided that the Loop would be developed with higher education as the leading land use, complemented by high-tech research and development, as well as cultural and creative industries, to nurture talents for Hong Kong and southern China and enhance the overall competitiveness of the Pearl River Delta Region, so as to promote long-term economic development of cities in the two places.

We think the proposal of using the land near the Lok Ma Chau border for commercial development has its merits. According to the information from the Development Bureau, the Planning Department and the Civil Engineering and Development Department will commence a feasibility study in the first quarter of this year to explore the development potential of areas in New Territories North, and the supporting infrastructure required. The scope of the study will also cover the Lok Ma Chau area, and the opportunities for business development in these areas will be explored.

With regard to Lantau Island, the Government has been making efforts in respect of tourism facilities, and a number of tourism-related facilities on Lantau Island have been completed, with a view to enhancing the tourism appeal of Lantau Island. The Government also plans to explore promoting the logistics industry on Lantau Island and improving transport services in Tung Chung, thereby promoting economic activities in these areas.

The Government attaches great importance to the economic development of Lantau Island and Lok Ma Chau, and it has adopted a multi-pronged approach to promote economic activities in these areas. Deputy President, I will continue to listen carefully to Members' views on the motion and the amendments, and I will make further comments at a later time.

Thank you, Deputy President.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, since the summer recess, I have been reading a few books written by a professor at Harvard University, and one of the book is entitled *What Money Can't Buy*. I believe many people have read this book and the gist of the book is: if we only attach importance to the market, many things that cannot be measured in terms of money will be squeezed out of the market, and they will ultimately disappear from this world. I will not discuss the contents of this book in detail.

I think Hong Kong is a place that has attached great importance to the market. The winner takes it all and everything is measured in terms of money here. Strictly speaking, Hong Kong is definitely a good example of measuring everything in terms of money. That is why I have mixed feelings when I read this book. In recent years, a lot of old shops and flourishing industries in Hong Kong have been forced to close down because of high rents. Some people say that old shops cannot survive in today's society, and they will naturally be eliminated. I think this argument is absolutely wrong.

I do not agree with this argument because these shops still have business, capital and customers. Some think that these vintage shops are facing the difficulties of lacking in capital and operators, but that is not the case. These shops are in difficulty due to soaring rents, which have gone up nearly 10 times or even 100 times. That is totally unreasonable. Given such a crazy phenomenon, a shop with small capital cannot possibly afford the high rents. Thus, many old shops and small shops have been forced to relocate, leaving only international brand shops on the street. There is no foothold for small shops on Canton Road, Hennessy Road and Nathan Road as only large chain shops can afford the expensive shop rents in these areas with heavy pedestrian flows. Small shops can no longer afford to stay in busy districts; they have been elbowed out in this crazy market.

We are not just talking about one shop, but the story behind, which include the family business and technologies that have been handed down from one generation to the next, as well as family stories. Small shop operators are not pursuing great wealth; they just want to work hard to support their families. Interesting personal stories can be told after the shops have been operated by two to three generations. These people can make a living in this way and they also help establish an alternative economic model in Hong Kong amidst the city's rapid tempo. Many people told me that they miss these old shops; some of them sell snacks and some others sell cute little things, but such shops are gradually

disappearing. In our society today, there is no place for businessmen selling these products on the market, and buyers like us cannot buy the products we like.

In addition to high rents that exert immense pressures on traditional industries and old shops, another culprit is development and redevelopment. Sometimes, the Urban Renewal Authority (URA) really makes me angry because it precisely has the responsibility to monitor the impacts of regional economy on the communities, but it has failed to do so in the development process. The flats of a new building on the former Lee Tung Street are being sold at exceptional high prices. The name of the building seems to include the Chinese character "囍", which means "double happiness". I lived on Lee Tung Street after I was born. As I now live in Wan Chai, I often pass by the place and many people will approach me marketing these flats. I told them that I grew up there and I was furious that Lee Tung Street would disappear from Hong Kong, thanks to the work of the URA. I am infuriated because the URA has turned a place, which used to sell things I like and specialized in selling wedding invitation cards and festive supplies, into a novel commodity for speculation. How can this happen in our society? These are not what we want.

Nga Tsin Wai Village which we are very familiar with has similarly disappeared. I had been making efforts since the early 1990s but had finally failed. A professor of The Chinese University of Hong Kong who has been concerned about the matter is not dissatisfied with this result. There was a family in Nga Tsin Wai Village who has been making cutting tools for three generations. The family was forced to close down its business due to redevelopment by the URA. I have handled numerous cases in the districts which made me increasingly angry because many small local shops that should be able to continue with their operation were eventually closed down due to various reasons including soaring rents.

I would like to tell the Secretary that I recently intended to ask member union of the Federation of Trade Unions (FTU) from various trades and industries to find out the number of businesses that intend to remain in operation. When carrying out future planning, the Government should also consider the need for diversified industries, and its current thinking no longer works. As a Member who won a Super District Council seat, I have to take the whole territory into consideration. While I have to be concerned about the Northeast New Territories development, I also have to handle matters related to the Shek Tsai Leng Elderly Village.

The fate of five soy sauce factories in the vicinity is another problem. I had called Secretary Gregory SO, pointing out that these traditional industries were under his terms of reference. At present, the Development Bureau merely focuses on the development of the entire Northeast New Territories, it does not bother about anything else, and advocates for a complete clearance. However, I wonder if the authorities know that the place produces the best quality vinegar in Hong Kong. The production of soy sauce relies on quality white vinegar for seasoning, and vinegar is an essential ingredient. Now that there are five soy sauce factories in Hong Kong, why can't we produce quality products comparable to those from Japan, Taiwan or South Korea? Those jars of tasty white vinegar made my colleagues, especially the younger colleagues, truly excited. Those soya sauce factories have supported the livelihood of many employees, especially some aged employees. The employers are so kind-hearted that they even provide employees with quarters, so that they can continue their work. If these places would disappear after clearance, we will lose most of the component parts of the industry and a number of quality products. The employees will become unemployed and our ardent expectations will not be met. Hence, I have asked the Secretary to seriously consider the matter.

For the motion "Promoting the economic development of Lok Ma Chau and Lantau Island" proposed by Mr WONG Ting-kwong today, I express support and the FTU will also fully support it. The question is whether the Government is determined to solve the problems through diversified economic development. Before the reunification, the FTU set up a task force and expressed our views on the development of the Huanggang Loop, including the development that the Secretary has just mentioned. How should we deal with other places? I do not want the development in Lok Ma Chau and Lantau Island to be similar to the large-scale development in Huanggang for the pace would be too hasty. How can we achieve better development in line with the actual situation in Hong Kong? Miss Alice MAK has proposed in her amendment that, in addition to shopping malls, hotels and shopping centres, the development of other industries should also be allowed in Tung Chung and Lok Ma Chau. This is a direction of development to be considered.

The FTU has been promoting a diversified economy, which may include various forms of shops, including the old shops mentioned earlier which can no longer survive in the urban areas. Can we consider providing suitable places for their development? In addition to the need to establish shopping streets, we also need to pay attention to large traditional industries. There is available space in

Hong Kong, but our concept about land is that only the construction of housing units and shopping malls can make big money, hence the local economy and culture, including Lee Tung Street where I grew up, have fallen victim.

Deputy President, I so submit.

MR NG LEUNG-SING (in Cantonese): Deputy President, although timeliness, geographical advantages and harmonious inter-personal relationships are all very important, it is more practical and essential to promote economic development by leveraging on the geographical advantages. We should be focused and plan carefully in the development process, and must not apply medicines indiscriminately. First of all, Lok Ma Chau is close to the Mainland. The setting up of a cross-boundary business and shopping centre should serve a good purpose, particularly when most of the non-local people mainly go to urban centres for shopping. Such kind of shopping centre near the boundary can bring a diversion effect. It is also believed that the current problems, such as the shortage of powdered formula, can be relieved to a certain extent.

(THE PRESIDENT resumed the Chair)

Speaking of the development of Lantau Island, it has been more than a decade since the Airport under the large-scale infrastructure project of the Hong Kong Airport Core Programme was commissioned and the Tung Chung New Town was ready for occupation at the end of the 1990s. The Hong Kong-Zhuhai-Macao Bridge, which will be commissioned in 2016, will land at San Shek Wan of North Lantau. We can say that the stretch of land between Tung Chung and Lantau Link Toll Plaza, which is approximately 10 km long, is supported by very comprehensive infrastructure. However, Sunny Bay is the only station connected to the Disneyland Resort Line at the moment. It is really a waste that a lot of well-developed quality land resources have all along been under-utilized. Therefore, development of high value added industries by optimizing the well-developed infrastructure and geographical advantage of Lantau Island and leveraging on our own competitive advantages will be the inevitable path for the future development of Hong Kong.

Apart from the four pillar industries of finance, trading and logistics, professional services and tourism, healthcare service should be one of the industries with the greatest potentials for future development according to the relevant analysis and studies in terms of its comparative advantage, market demand, operability, and so on. In particular, there are more rich people in Asia, and demand for medical tourism industry will surely be on the increase.

From an objective point of view, with rapid economic development, it is expected that the neighbouring Asian regions will have increasing demand for quality healthcare service. Let us take the Mainland as an example. According to the healthcare reform proposed earlier, governments at different levels would put in RMB 850 billion yuan over the coming three years for the development of four major systems, namely public hygiene service, medical service, medical protection and pharmaceutical supply, including the construction of more than 2 000 hospitals at county level. Therefore, industrialization of medical service in Hong Kong tallies perfectly with the development plans in the Mainland, and the potential demand in the Mainland for medical service also gives impetus to the healthcare industry in Hong Kong.

Furthermore, Hong Kong also has favourable competitive advantages. Apart from geographical position, sound legal system, international standard management system and high education level, Hong Kong also excels in sophisticated medical technologies, reputable healthcare service and certification service of international standards. All these are the competitive edges of Hong Kong. Since 1999, 12 private hospitals in Hong Kong have voluntarily received biennial assessment under the Trent Accreditation Scheme of national health service in the United Kingdom. All hospitals are up to standard in respect of diagnosis criteria and service quality. Some hospitals are even better than their counterparts in the United Kingdom. In addition, as traditional Chinese medicine, especially acupuncture techniques, are becoming more and more accepted in the international world, there are great potentials in the joint development of traditional Chinese medicine between Hong Kong and the Mainland.

Therefore, President, other Asian countries and regions are eyeing healthcare industry, which is lucrative. Singapore has started early in this respect, and recently, a victim in the Manila hostage incident went to Taiwan for medical treatment. This is another good example of healthcare service competition. Time waits for nobody. In the face of competition and

challenges in different aspects from the neighbouring regions, we should take action without delay in developing different industries. The Government must expeditiously put forward its plans, properly utilize and develop Lantau Island to dovetail with other enhancement measures, so as to maintain Hong Kong's sustainability in long-term economic development and ensure job opportunities and better lives for every Hong Kong people.

President, I so submit.

MR TANG KA-PIU (in Cantonese): President, it is a bit disappointing to see that Secretary Gregory SO is the only government official present to respond to this motion today. The development of Lantau Island, especially the so-called opportunities for rapid and accelerating developments, absolutely hinges on the construction of transport infrastructure. Without the construction of the new airport, why would there be the Tung Chung New Town? Without the commissioning of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in 2016, why would there be the "one-hour living circle", whereby North Lantau would serve as the starting point? Therefore, I feel puzzled why the Transport and Housing Bureau has not assigned any representative to attend this motion debate. Today, we have a question about the business development of the airport and it was stated that the Airport Authority should directly report to the Transport and Housing Bureau, but not the Policy Bureau under Secretary Gregory SO. I therefore do not understand why officials from the Transport and Housing Bureau have not shown up. I think things will work out well if the two Policy Bureaux can strengthen communication.

On the other hand, I recall that the Government had submitted the HZMB project to the Islands District Council during the previous term of the Legislative Council in 2008-2012, and if my memory does not fail me, it should be some time between the end of 2009 and 2010. The then Deputy Director of Highways and representative of the Transport and Housing Bureau had clearly stated that a group would be formed with members of the community and the District Council (DC) immediately after the project commenced to see how the bridgehead economy could be developed. The Government was amazing for it has been making empty talks but has done nothing in the DC. The entire community should learn recently or in recent years that an alliance has been spontaneously formed by a group of entrepreneurs from Lantau, which vows to promote Lantau's economic development to prepare for a bridgehead economy. For this,

I can only say that the community has been over-enthusiastic whereas the Government has been too lazy and apathetic.

Noting that Members have proposed similar motions time and again — I remember that Mr CHAN Han-pan has also moved a relevant motion before Mr WONG Ting-kwong proposed this motion today — why has the Government not given us any good reply so far? Insofar as my memory goes, Chief Executive LEUNG Chun-ying of the current-term Government had visited Tung Chung a couple of times during the election campaign. And, during his meetings with members of the community and the business sector, he reiterated that Lantau Island had important strategic value in development given its location at the centre of the Pearl River Delta Region. He even vowed to set up the Lantau Island Development Committee, and hundreds of people who were present heard that. But, so far, it remains a castle in the air. I wonder if "Mr Elephant" proposed this motion today because he has learnt that there will be good news in the coming Policy Address. Anyway, this is what community members, the Hong Kong Federation of Trade Unions and Democratic Alliance for the Betterment and Progress of Hong Kong have been striving for and we all look forward to hearing positive responses.

Why would I highlight the Transport and Housing Bureau in particular? Because Miss Alice MAK has just mentioned an issue about a bridge. We have been casting doubt on the expensive toll of the Tsing Ma Bridge (TMB), which has stifled the economic development of the entire place and reduced people's incentive to move in. Despite repeated complaints about the expensive toll of the TMB, the Government has made no changes to its policy. It even stressed that all bridges, tunnels and major routes are self-financing according to the "user pays" principle. Will a toll be charged for the Central-Wan Chai Bypass? Of course not. What about the Stonecutters Bridge which has just commissioned for more than a year? The answer is "no". Let us look at another example. Is there any toll for using the Ting Kau Bridge in Tuen Mun? Again, the answer is "no". Then how come a toll is charged for the bridge on Lantau?

Will a toll be charged for the future harbour-crossing bridge-cum-tunnel road connecting Chek Lap Kok and Tuen Mun? No matter how we pursue, the Government has been reluctant to answer. And yet, it has earmarked \$800 million for reclamation and construction of a toll plaza, which clearly demonstrates its intention to charge a toll. However, the cost of reclamation is probably even higher than the tolls collected day after day. I really cannot see

the point of doing so. In the end, the economy of the Lantau Island will be stifled. Tourists who choose to stay on Lantau will be far away from the urban centres and will have to spend a lot of money on transport fares each day. How can we attract tourists to stay in hotels in the so-called remote areas? This is unattainable. Therefore, I eagerly hope that Secretary Gregory SO can work with the Transport and Housing Bureau to examine if a toll should be charged for the various routes connecting the Lantau Island, with a view to reviving the economy of the Lantau Island.

Concerning the roads, I still have a minor question to ask and it is concerned with the issue of streets, as mentioned by Miss CHAN Yuen-han. I noticed that many books about Hong Kong have been published in Shenzhen. This is because following the implementation of the "multiple-entry permits" measure, more Shenzhen residents are coming to shop around in Hong Kong. Like many Hong Kong people, they like going to Kau Kee Restaurant in Sheung Wan for beef brisket noodles on Sunday to have a taste of Hong Kong's local culture. They consider that the streets in Hong Kong are different from those in Guangzhou and Shenzhen. How about the streets in Tung Chung? Streets in Tung Chung have nothing to shop around. The planning of Tung Chung has not included any "on-street economy", but has simply developed clusters of shopping centres.

Earlier on, Mr NG Leung-sing mentioned comparative advantages in his speech. If the Mainland decided to build shopping malls from nothing and invited tenancies for these malls built by world-class architects, I believe the end product should be no worse than Hong Kong both in terms of speed and diversity. The Mainland does have an admirable speed. So, what should we retain, shops of prestigious brands or large-scale projects? We hope that the Government will give a serious thought to this.

As for competition — Comparison is competition and Secretary Gregory SO is also responsible for competition matters — there is serious problem with the competitiveness of Lantau Island. Non-dedicated liquefied petroleum gas (LPG) stations on Lantau Island charge higher prices. As it is impossible for drivers to patronize LPG stations outside Lantau, they are thus forced to go to these stations. This issue has been covered by the press, and I hope that the Government can deal with it.

Moreover, due to a lack of competition, prices are higher in the markets of Tung Chung. Local residents have no choice but to buy from the markets managed by The Link. We therefore hope that, apart from large-scale projects that facilitate the economic development of Lantau, the authorities would also pay attention to the livelihood of the general public, so as to let them know that they have a part to play in the economic development advocated by the Government and will benefit from it. What is more, the Government will not place shop of prestigious brands in the area, as this will only drive up commodity prices and attract additional patronage without bringing any changes to people's living.

I so submit.

MR FRANKIE YICK (in Cantonese): President, I speak in support of Mr WONG Ting-kwong's original motion on "Promoting the economic development of Lok Ma Chau and Lantau Island" and all related amendments.

Since the reunification, the number of inbound visitors has tripled to 50 million arrivals at present and the number continues to climb up. Among them, probably 70% are from the Mainland and among these Mainland visitors, more than 70% come to Hong Kong on Individual Visit Scheme (IVS) endorsement. The average spending of these Mainland visitors in Hong Kong is as high as \$8,500, which is higher than the average overall visitors spending of \$7,000. However, due to the lack of forward-looking planning of the Government, the influx of visitors has generated social problems despite the economic growth they can bring about.

To cater for the growing number of visitors, the number of hotel rooms has increased by 90% since the reunification, but the overall area of shopping centres has only increased by 27%, which is far from adequate to cope with the demand of the additional visitors. In view of such a big market of Mainland visitors, retail shops have sprung up like mushrooms after rain. Nonetheless, shop rentals have also soared due to excessive demand for shop premises. The rising number of Mainland IVS visitors, as well as the over-concentration of these visitors in several scenic spots and shopping malls located in urban areas, such as Central, Tsim Sha Tsui and Causeway Bay, such areas have become overcrowded, thus generating the feeling of being "occupied" among Hong Kong people. Together with the advocacy by some people, Hong Kong-Mainland conflicts have gradually formed.

In view of the rising number of visitors, the Liberal Party has been urging the Government to increase more scenic spots to divert the over-concentrated visitors. For example, re-planning can be carried out on the land use of the North District to build large shopping malls; tourist attractions with indigenous cultural characteristics can be developed in the North District, Tai Po, Sai Kung, Tin Shui Wai and Islands, including conservation of businesses and markets with local characteristics; cooked food centres in "Dai Pai Tong" style can be promoted; spa resorts can be developed on Lantau Island; and even resorts such as a leisure, gambling and entertainment complex can be established. These facilities can not only enhance the competitiveness of the tourism industry, but can also create more job opportunities for local residents.

In addition to increasing tourist facilities, transport facilities should also be integrated correspondingly. If a large business and shopping centre is to be set up in the North District, the New Territories Northern Link project should be implemented to connect the two railway lines of East Rail and West Rail, so that the radiation effect of the inflow of people brought about by such shopping centre can be extended to other areas in North or Northwest New Territories. According to the Railway Development Strategy 2000, the Northern Link has three major functions, namely to cater for the transport needs of new development areas, divert the East Rail Line traffic and provide cross-boundary services. Most importantly, it can connect the existing East Rail Line and West Rail Line which will, together with the Southern Link already completed, form a comprehensive railway network.

During the last term Government, the Lantau Development Task Force chaired by the Financial Secretary was set up in 2004. While a number of consultations had been conducted on the concept plan for Lantau development and some development frameworks had also been formulated, 10 years had passed and the recommendations put forward by the Task Force then, such as the construction of the North Lantau Logistics Parks, seem to have disappeared without a trace. Chief Executive Mr LEUNG Chun-ying also proposed the ideas of developing Lantau in his first Policy Address last year. But to date, the project remains a lip service.

Upon the completion of the Hong Kong-Zhuhai-Macao Bridge (HZMB) and the third runway at the Airport, the number of inbound visitors will increase substantially and the authorities will be faced with the urgency of expanding the existing capacity of Hong Kong to receive tourists. Lantau Island, which is

adjacent to the Airport and the HZMB, is now equipped with infrastructural facilities for convention and exhibition, tourism, shopping, and so on. It has the potential to be developed into another economic region. If more hotels and large shopping malls are built in the area with improved transportation support, it will fully enjoy the "bridgehead economy" benefits brought about by the HZMB and play the role of diverting visitor flow.

As quite a large proportion of Mainland visitors are currently from the Pearl River Delta (PRD) Region, the Liberal Party has been asking the authorities to open up the existing SkyPier at the Hong Kong International Airport, so that residents from the PRD Region may directly access the AsiaWorld-Expo and other tourist attractions on Lantau by sea, thus avoiding a detour by land via the China Ferry Terminal in Tsim Sha Tsui or the Hong Kong-Macau Ferry Terminal in Sheung Wan. This not only relieves the burden on road traffic in urban areas and ease traffic congestion, but also reduces air pollution caused by vehicles and improve roadside air quality.

Nonetheless, in developing the economy of Lok Ma Chau and Lantau Island, we must also take into account the issue of manpower resources. Take Lantau Island as an example. At present, there are over 5 000 job vacancies in the Lantau airport community. In further increasing the number of hotels and large shopping malls in the district, we must also consider whether there are adequate supporting manpower resources. Currently many of the employees in the airport community are residents of Tung Chung new town. However, due to various resistances in the original development plan of Tung Chung, the current population of Tung Chung is some 80 000, which is one third of the original planned size. In order to address the manpower shortage in the district, I hope the authorities can expedite the expansion of Tung Chung new town and expand the workforce by increasing population. In addition, supply of manpower should also be increased by aligning and arranging traffic routes. As such, the Liberal Party hopes that the construction works of Tuen Mun Western Bypass which connects the West New Territories, as well as Tuen Mun-Chek Lap Kok Link can be completed as soon as possible; otherwise it will become another example of resource mismatch.

With these remarks, President, I support the motion.

MR SIN CHUNG-KAI (in Cantonese): President, the Democratic Party supports Mr WONG Ting-kwong's original motion and the amendments proposed by Ir Dr LO Wai-kwok, Dr KWOK Ka-ki and Miss Alice MAK. We are in favour of this motion. In fact, we have debated on the development of Lantau Island for more than once. As some Members have said, this is the second time. And, I heard that the Government will put forward some concrete initiatives.

Regarding the discussion on this motion today, I originally intended to propose an amendment, but then I withdrew. We consider that the Government should expeditiously implement the construction of the third runway as this is the crux of the development of Lantau Island. But since the environmental impact assessment is now underway, and the proposed construction of the third runway does not seem relevant to the original motion, I therefore hold this back for the time being.

If the development of Lantau Island does not include the construction of the third runway, the future planning will be different. Although the proposed construction falls under the purview of the Policy Bureau led by Secretary Prof Anthony CHEUNG, we do hope that Secretary Gregory SO would liaise with Secretary Prof Anthony CHEUNG. There will definitely be a debate on the construction of the third runway in the future.

Actually, this is not a brand new motion as we have already had a similar debate earlier on. Notwithstanding that, this motion also touches on Lok Ma Chau, on which a relatively comprehensive development plan has been drawn up by the Planning Department. Deputy President, regarding the policies or measures introduced by the Government over the past few years, we think that too much time has been spent on discussion and implementation, and some planning proposals have been consulted time and again. It seems that there has been much talk but no specific development.

Just now, a colleague talked about the toll for the Lantau Link, and I also want to say something. Upon the commissioning of the Lantau Link, the Government proposed to impose a surcharge of \$60. The Democratic Party then suggested to reducing the surcharge by 50% and it was supported by other parties and affiliations. As a result, a surcharge of only \$30 was imposed. The Government can certainly consider waiving the surcharge to facilitate the economic takeoff of Lantau Island, but I do not think this \$30 surcharge would hinder its development. What is more, it seems that the Government has yet to

work out any concrete proposal to prepare for the commissioning of the Hong Kong-Zhuhai-Macao Bridge. I hope that Secretary Gregory SO can give a detailed explanation about this later.

Now I would like to discuss the development of Lok Ma Chau. The Government has conducted one or two studies on the development of Lok Ma Chau, and proposed the construction of, *inter alia*, high-tech research and development facilities in the Lok Ma Chau Loop (the Loop), as what Miss Alice MAK has said. It subsequently published a report proposing the development of higher education in the Loop by establishing institutions that articulate with Mainland institutions. As Mr Frankie YICK has just said, it seems that local retail industry has failed to cater for actual needs, probably because of the rapid changes in Hong Kong. In that case, can the Government establish more retail outlets so as to divert customer flow? This is because if Members go shopping at the tourist spots in Tsim Sha Tsui, Causeway Bay and Mong Kok during weekends, we often hear people speaking Putonghua or Cantonese with accents, but not native Cantonese.

President, we consider that the Government should develop tourism-related industries in Lok Ma Chau, such as factory outlets or labour-intensive industries. Noting that the unemployment rate of the Northwest New Territories is more serious than that of the urban areas, the Government has introduced transport subsidies. In my opinion, the Government should consider increasing job opportunities in the Northwest New Territories. For the construction of high-tech research and development facilities in the Loop, I am of the view that it is worthy of our consideration and support, subject to the overall development of Hong Kong.

We support the original motion and all the amendments.

DR CHIANG LAI-WAN (in Cantonese): President, while the Government has conducted a large-scale consultation exercise on the development of the Lok Ma Chau Loop (the Loop) 11 years ago, I had also written an article in a newspaper about the development direction of the Loop. What can be developed in the Loop? At that time, many friends from the industrial, commercial and economic sectors pointed out that the Loop should best be developed into a high value-added industrial or research area, factory outlet of international brands, special processing zone with exhibition functions, high-tech park, research centre

or Las Vegas style trading and tourism district, casino, golf course, race tracks, university city or an area of luxurious residential flats. The proposals can be said to be all-embracing. There were basically two mainstream development proposals 11 years ago, namely an industrial/high-tech area or a factory outlet of international brands.

At that time, we thought that the Loop, covering a total area of 87 hectares, could accommodate a lot of factories. This would not only enable us to arrange Mainlanders to work in the Loop, but would also facilitate Hong Kong's management personnel to work there. The authorities may also consider amending the relevant regulations to provide for, for instance, the 1:1 ratio, so that a factory which has employed one Hong Kong staff can only recruit one Mainland worker. However, the idea was not supported by the labour unions, and many of them would rather have it dropped. Local entrepreneurs who intended to move northward were reluctant to relocate their factories to the Loop. When the relevant discussion reached an advanced stage, a number of factories had already relocated northward and the development of the Loop was thus shelved. Since then, Hong Kong has gradually positioned itself to develop the financial and tourism industries.

There is actually no problem with the development of the tourism industry and it is worth supporting. We also agree with it. Therefore, the Democratic Alliance for the Betterment and Progress of Hong Kong has discussed on the development of tourism industry in the Loop and even conducted site visits. After carrying out some studies, Mr WONG Ting-kwong proposed to build an all-year-round capital of exhibitions and sales in the Loop. This is a very good idea as overseas buyers may either stay on Hong Kong Island or Kowloon upon arrival, and then went to the Loop for product searching or shopping. This is indeed a very good idea. But for some reasons, the proposal ended up with nothing definite, not to mention any further promotion. I really have no idea of what had happened. Some people thought that this is a problem with management as Hong Kong only has the right of governance while the land title belongs to Shenzhen. In my opinion, however, many problems can be easily resolved so long as we are determined to develop the Loop.

Today, more visitors are coming to Hong Kong, and they are mostly Mainland travellers coming individually. They would rather come to shop in Hong Kong individually than join the group tours. Shopping is good for it can boost the local employment rate and promote Hong Kong's economic

development. Although there will not be significant effect on the Gross Domestic Product, it will at least enable us to achieve full employment, which is also good, and in turn enhance the development of other industries. Discussions on the building of factories at that time had become history, and I do not want to dwell any further on this factory issue. I really hope that the current-term Government can consider developing the Loop into a place for Mainlanders or residents of the North District in the New Territories to shop and spend money. We all know that there are many big shopping malls in Hong Kong, but which one is the most popular? It is the New Town Plaza in Sha Tin. The findings of a survey showed that its patronage during peak business hours is as high as 330 000 per day, whereas the Harbour City is only 300 000, which is lower than that of the New Town Plaza. In other words, inbound tourists may not necessarily go to Causeway Bay and Tsim Sha Tsui upon arrival. It will therefore be more convenient to them if a shopping area is developed near the border control point.

Therefore, I think that the Government should actively consider developing the Loop into a trading district, or even establishing a shopping mall, such as a factory outlet. This is not only good, but is also conducive to Hong Kong's economic development and employment. I therefore fully support the motion proposed by Mr WONG Ting-kwong today. Thank you.

MR JEFFREY LAM (in Cantonese): President, Hong Kong is a densely populated place with a large number of vehicles, and large shopping areas in districts such as Causeway Bay and Tsim Sha Tsui are particularly crowded during weekends and holidays. As there are few shopping areas over the territory, local people and visitors flock to these places for shopping.

Apart from urban shopping centres, many visitors prefer shopping at shopping centres in the Northeast New Territories and New Territories West in recent years. Besides buying clothes and jewellery, some visitors buy daily necessities in Hong Kong because the quality of our goods is guaranteed. For this reason, the shopping centres along the railway line are packed with visitors pulling suitcases. This will definitely have impacts on local residents, including crowded shopping malls and soaring rents.

President, in the face of overcrowded tourist attractions spots and shopping malls, there are suggestions that we should not allow so many visitors coming to

Hong Kong. I think this is a negative approach. A positive approach will be to develop large shopping centres and sales markets in other parts of the territory, especially in places near the border control points and the airport. This can meet the shopping needs of visitors and facilitate economic development. The Government should develop Lok Ma Chau as soon as possible. It should take advantage of the heavy flow of commuters at the border control point to set up a business and shopping area in Lok Ma Chau. In this shopping area, exhibition fairs similar to the Hong Kong Brands and Products Expo can be held on a permanent basis to promote local brands and products which have all along enjoyed good reputations. Most importantly, setting up a business and shopping centre in Lok Ma Chau border control point can enhance the capacity of Hong Kong in receiving visitors, divert appropriately visitors to various places and promote the sustainable development of tourism in Hong Kong.

President, given its favourable conditions, Lantau Island should also be developed into another business, tourism and shopping centre. At present, with the airport and good transport facilities, the Tung Chung New Town, a theme park, the Big Buddha, as well as rich natural and cultural resources, Lantau should be developed into a place with unique tourist attraction and with large shopping centres. However, Tung Chung is now one of the poorer areas in Hong Kong with a lack of employment opportunities and shockingly high commodity prices. Food prices in Tung Chung markets are even higher than those in Happy Valley. In addition, the lack of local community facilities well reflects that the Government has failed to make full use of the existing resources and infrastructure on Lantau. I think the Government should set up an inter-departmental committee as soon as possible to formulate development plans for Lantau Island, improve the supporting infrastructure, increase the complementary retail, commercial and hotel facilities, as well as create employment and promote economic development in the area.

President, many foreign cities have constructed large commercial and shopping centres near the airport. With the commissioning of the Hong Kong-Zhuhai-Macao Bridge in 2016, the authorities should seize the opportunity of a surge in people flow to develop a bridgehead economy on Lantau. For example, large factory outlets can be established there to attract Mainland visitors and merchandisers from enterprises. Since Lantau has abundant tourism resources, it is appropriate for the authorities to promote eco-tourism, which will facilitate the development of Lantau into a sustainable community.

President, some economists estimated that, if we can take advantage of the existing opportunities and give full play to the economic benefits of tourism and commercial activities on Lantau, we can receive an additional contribution amounting to nearly \$100 billion in the next 10 years. Conversely, if Hong Kong continues to lag behind the development of Hengqin in Zhuhai and Macao, the economic benefits of Lantau will then be received by these two places.

For instance, in respect of hotel facilities, it is estimated that Hengqin would provide over 15 000 hotel rooms in 2015; and it is also estimated that Macao would provide 50 000 hotel rooms in 2020. On the other hand, the numbers of hotel rooms on Lantau are lagging far behind those in Zhuhai and Macao, and there is not even a specific proposal on planning and development. Hence, it is essential for Lantau to quickly catch up, and increase the commercial, hotel and shopping facilities. Otherwise, the expression "Hong Kong-Zhuhai-Macao" that we are often using will later become "Zhuhai-Macao-Hong Kong", because our competitive advantage may be dependent upon the present planning.

President, the Government needs to improve the infrastructure facilities on Lantau. This can provide local people with the opportunities for business start-up and employment, to make it more convenient for Tung Chung residents to work in new towns, without having to travel long distances to work in the urban areas. This is conducive to developing local economy and further promoting the tourism industry.

In addition, to solve the problems of insufficient land supply in the urban areas and alleviate overcrowdedness in the business districts, I think the Government has to expeditiously develop new areas to relieve the pressure of heavy people flow in the urban areas. The Government can also consider developing the underground space of the airport. It would be desirable for the Government to consider the use of the underground space while exploring the development of other sites on Lantau.

President, I so submit.

MR VINCENT FANG (in Cantonese): President, regarding the motions on the development of new areas to promote urban, economic and employment development in Hong Kong, and improve the living environment, the Legislative

Council has held several discussions each year. For example, concerning Mr WONG Ting-kwong's motion on promoting economic development in Lok Ma Chau and Lantau Island today, it is not the first time that such a subject has been raised for debate. Although Honourable colleagues may have different focuses of concern, they generally support such motions. To our regret, the Government has not addressed squarely the motions passed by the Legislative Council, making it necessary for us to press the Government to take actions by various means.

What is the purpose of developing a new area? It is certainly because the developed areas have been saturated and we must develop new areas to meet the needs of urban development. Many motions on these issues were passed with the support of Honourable colleagues, which reflected that we all agree that Hong Kong needs greater space for development; it needs a new way out, and more important still, it needs to create new economic growth points. A lot of people share the same views. For example, some academics propose the development of the so-called "sub-centres" in addition to the existing commercial centres in Central, Causeway Bay, Tsim Sha Tsui and Mong Kok. This further proves that Hong Kong needs to develop new areas, and public aspirations are strong in this respect.

As a matter of fact, Lok Ma Chau and Lantau Island are not barren places and the Government has already developed the peripheral areas of Tung Chung and Lok Ma Chau. However, the two famous "towns of sadness" in Hong Kong (Tin Shui Wai and Tung Chung) happened to be located in these two areas. Is the debate on this motion today a slap in the face for these two new towns? On the contrary, I believe we need to help these new towns walk out of sadness. When the Government initially developed these new towns, it only focused on housing development for those who have been waiting for public housing, to the neglect of two key factors, which included the employment of residents and local economic development. Hence, with the same pool of consumers, the consumption economy has limited scope of development.

For years, the Liberal Party has supported the promotion of economic development of Lantau Island because it is the biggest island in Hong Kong with a lot of scenic areas but not many developed areas. With further improvement of the transportation network on Lantau, and coupled with the fact that it is the landing point of the Hong Kong-Zhuhai-Macao Bridge to be commissioned soon, the potential of Lantau is not merely restricted to the Airport Island. The Liberal Party has always suggested that the Government should make use of the natural

advantages of Lantau to develop the place into a tourist resort, so as to strengthen the tourism appeal of Hong Kong. We also support the proposal of the Lantau Development Alliance to develop the place along the model of Orlando in the United States, to create more jobs within the area on the one hand, and divert the excessive concentration of tourists on the other. This point is basically consistent with the proposal in Dr KWOK Ka-ki's amendment. Nevertheless, in implementing development projects, it will inevitably involve more than 90% of the existing country park area. If development projects are to be implemented, I hope Honourable colleagues can accept the proposal on the reasonable release of some sites in the country parks.

As for Lok Ma Chau, the Liberal Party has time and again suggested that the authorities should plan afresh land use in the North District to increase the supply of commercial land and set up large shopping centres, and so on, so as to meet huge business opportunities arising from the increasing number of Mainland tourists. Lok Ma Chau should be developed into a new metropolis in the northern part of Hong Kong to provide more employment opportunities in the district. The authorities should also consider the construction of the Northern Link in the northern New Territories to connect various parts of the North District and improve the flow of people.

As regards other amendments, no matter it is the development of eco-tourism or the construction of water sports centres, we will support them as long as they are conducive to promoting local development, providing more employment opportunities and improve the incomes of residents. We only have reservation about Miss Alice MAK's amendment because she has constantly asked for the setting up of bazaars, night markets, public markets and holiday markets, and so on. I wonder who the target consumers of these markets are. Honourable colleagues have said that such proposal will provide the grassroots with opportunities for business start-up and affordable consumption. If all people are low-income earners, who then has the money to spend?

Two days ago, it was reported in the press that owing to low patronage of the Tin Sau Market in Tin Shui Wai, traders only earned dozens of dollars a day, they could hardly survive. This proved that goods that do not fit in the market economy may not necessarily be able to survive in the market. Nowadays, development in Hong Kong is market-driven; the business sector and the public can share the fruits of our economic development as long as they work hard. Therefore, I hope Honourable colleagues will not keep saying that there is

collusion between government officials and businessmen because government officials basically turn a deaf ear to the views of the business sector. As they very often blindly divorce themselves from the reality, legislation is frequently turned into a butcher's knife, killing many small and medium enterprises.

With the monitoring of Honourable colleagues, I hope there would be greater opportunities for co-operation between government officials and businessmen in the future. I am sure that Hong Kong would have sustainable development and all member of the public would be benefited. Thank you, President.

MR YIU SI-WING (in Cantonese): President, we can all witness the economic benefits brought about by tourism. Due to the lack of long-term planning by the Government for years, excessive tourists have affected the daily life of some local communities. As a result, some negative remarks have emerged which are intended to provoke Hong Kong-Mainland conflicts.

In the year 2013 which had just passed, the number of inbound visitors was estimated to be over 53 million arrivals. The influx of visitors coming to Hong Kong for consumption is a dream to many countries and regions, but this has now turned into a worrying problem for Hong Kong. In my view, the two measures to divert visitors proposed by Mr WONG Ting-kwong in this motion are practicable.

Let me begin with the business and shopping centre in Lok Ma Chau. The large flow of people around the Hong Kong-Mainland boundary will undeniably bring about numerous business opportunities. Take the two control points at Luohu and Futian in Shenzhen as an example. From the very beginning in its planning, the Mainland has already taken into account business activities and traffic diversion. Both control points have built shopping malls, hotels, train stations, Metro stations and bus stops specially for tourists. These supporting facilities can divert visitors and attract them to stay in the district for consumption. Let us now take a look at Lo Wu and Lok Ma Chau on the Hong Kong side. With only immigration clearance facilities and transportation support, visitors can only go to the nearest Sheung Shui Station for shopping and consumption. The area around Sheung Shui Station was originally designed to cater for the daily needs of residents only. However, with the opening up of the Mainland and the implementation of the Individual Visit Scheme (IVS), there is

an influx of visitors and parallel traders, the residential areas in the past have gradually converted into the present commercial shopping area. Landlords will surely lease their shops to brand-name shops, pharmacies and chain stores that can afford high rents. As a result, shops which used to serve residents have been replaced by those serving tourists. In the lack of supporting facilities, it is natural that grievances among residents are generated. Such phenomenon has gradually spread from Sheung Shui Station to other stations along the East Rail Line.

No action had been taken by the previous terms of Government even though they were well aware of the problem. The current-term Government appreciates the aspirations of the community and has put in place some measures such as the "powdered formula restriction order" and the restoration of law and order in Sheung Shui Station. However, these are just expedients. Many Shenzhen residents come to Hong Kong primarily for shopping in the New Territories. According to the statistics in 2012, the number of Mainlanders travelling to and from Hong Kong with multiple entry permits exceeds 9 million arrivals and it is estimated that most of them came mainly for shopping. Why does the Government not take this opportunity to expand business potentials by setting up a one-stop business and shopping centre at the border in the light of the consumption patterns of short-trip Mainland visitors? The setting up of a business and shopping centre in Lok Ma Chau put forward by Mr WONG Ting-kwong is a proposal that can address medium- to long-term problems. On the one hand, it can relieve the pressure on residents in the New Territories by diverting tourists. On the other hand, Hong Kong people who are cross-boundary workers or leading a cross-boundary life will find it convenient to buy their daily necessities. In addition, job opportunities will be created for local residents. In Lok Ma Chau which is along the border between Hong Kong and Shenzhen, there are a number of disposed sites available. So long as the Government is determined, it is not difficult to solve the problems.

President, regarding the development of Lantau Island, the landing point of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in Hong Kong, I share the view of Mr WONG. We all know that the completion of the HZMB will promote the economy of the surrounding areas. Let us try to compare the respective attitudes and planning of the Governments of Hong Kong, Zhuhai and Macao. We will start with Hengqin of Zhuhai which is linked by the HZMB. The Shizimen Central Business District in Hengqin is multi-functional, comprising office buildings, public services, financial services, tourist resorts, convention and

exhibition, and so on. Upon the completion of Phase 1 in 2015, it will provide a gross commercial floor area of approximately 11 million sq m and 15 000 hotel rooms. Next, let us take a look at Macao at the other end of the HZMB. The Macao Government plans to build numerous shopping malls, hotels and casinos in the areas around the landing point of the HZMB. As at the third quarter of last year, there were 13 hotel projects underway which would provide almost 24 000 guest rooms, while another 27 projects pending approval will provide another 15 400 guest rooms. It is estimated that more than 50 000 hotel rooms will come into service by 2020, which is 1.8 times the present number. Once the HZMB is completed, it will bring about substantial economic benefits to Macao.

Let us now take a look at Lantau where the HZMB will land in Hong Kong. Apart from the existing tourist attractions and supporting transport, there are only 3 000 hotel rooms, a large shopping mall, a few office buildings, and a shopping mall under planning. The Airport Authority has just decided to retain the basement carpark in the North Commercial District of the airport while the remaining 70% of the site will be set for commercial use. But to date, there is no concrete planning and timetable. For other projects including the overall development planning for Lantau and the study on extending Tung Chung new town, there is no sign of implementation. Even if the Government now confirms to proceed with the construction, these projects can only be completed after the HZMB has commissioned. In comparison with Zhuhai and Macao, we are obviously lagging behind.

President, I hope the Government will make reference to the concrete proposals put forward by Members during this debate and formulate the development plans and projects for Lantau as soon as possible; otherwise, we may just stand there and lose our patronage once the HZMB is completed.

President, I so submit.

MR IP KWOK-HIM (in Cantonese): President, in terms of geographical location, Lok Ma Chau and Lantau Island are different for the former is located in Northeast Hong Kong while the latter in Southwest Hong Kong. Nonetheless, the two places have one point in common and that is, immigration control points are set up in both places. A land-based control point adjoining the Mainland is set up at Lok Ma Chau while Lantau provides international and domestic access at Chek Lap Kok Airport. Wherever there is an immigration control point, there

will be large flow of people and goods which is conducive to economic development. However, the economic development of Lok Ma Chau and Lantau has lagged far behind.

Let me talk about Lok Ma Chau first. I believe we all have the experience of travelling to the Mainland via Lok Ma Chau Control Point. This Control Point is opposite to Futian District of the Mainland. The latter has become a scene of prosperity with numerous high-rise buildings while on the Hong Kong side, all we can see is the wetland of Lok Ma Chau which, though not desolate, is only a green zone with scarce population. While we should not blindly pursue economic development, we should not blindly object economic development either. To cater for the needs of social development, appropriate economic development is necessary. Lok Ma Chau is adjacent to the North East New Territories (NENT) New Development Areas (NDA) where three new towns will be developed in the future. The Government is currently carrying out planning and consultation on the project. In order to reduce the resistance against the development, the Government has raised the original plot ratio of 3.5 to 5 to 6. The supply of residential flats in the two new towns of Kwu Tung North and Fanling North has increased from the existing 47 300 to 60 700 while the total population capacity has increased from the original 130 000 to 170 000.

How should the employment problem in these new towns be addressed? If we do not want the NENT NDA to become another city of sadness after Tin Shui Wai, we must develop the economy of the NDA. With a large flow of cross-boundary visitors from the Mainland, it is ideal for Lok Ma Chau to develop retail industry. I believe high economic effectiveness will be achieved if a large shopping mall is built in Lok Ma Chau, which will not only create considerable job opportunities but will also relieve the pressure brought about by the influx of Mainland visitors shopping in the North District. However, with increasing Hong Kong-Mainland conflicts and the rise of localism, frontier development projects are often smeared and alleged for serving wealthy persons who are doubly non-permanent residents. The construction of shopping malls is alleged for setting up a town for parallel trade activities. It is very irresponsible to make such accusations. In fact, the difficulty in developing the economy in frontier areas does not lie in planning, but in political issue. The SAR Government must dispel unreasonable political interference and make overall planning for the long-term economic development of Hong Kong.

Regarding Lantau Island, with the transport hub of the Hong Kong International Airport, large-scale facilities such as the AsiaWorld-Expo, as well as tourist attractions like Ngong Ping 360, Po Lin Monastery and Tian Tan Buddha, it has the capacity to attract massive flow of people. Upon the commissioning of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in 2016, more people will be attracted to Lantau. Originally a huge flow of people should be conducive to economic development. But ironically, Tung Chung on Lantau has now become one of the poorest places in Hong Kong. This reflects that the Government has failed to make good use of the advantages of Lantau for economic development.

With the potential of attracting a large flow of people, it is ideal to develop large shopping malls on Lantau to promote retail industry. This can on the one hand facilitate tourists to shop in nearby areas, and on the other hand avoid over-crowding in urban areas by diverting tourists flow. Mr CHAN Han-pan of the Democratic Alliance for the Betterment and Progress of Hong Kong has earlier raised a question asking the Administration whether it would consider opening up the SkyPier at Chek Lap Kok Airport as an immigration control point, so as to strengthen the link between Hong Kong and the Pearl River Delta Region. The reply of the authorities is very interesting. In their view, most inbound visitors will go shopping in other places in Hong Kong and Kowloon after visiting the scenic spots on Lantau. As such, the opening up of the SkyPier as an immigration control point will only have limited effect on increasing the number of inbound visitors and is therefore unnecessary. The Government's reply reflects exactly that its way of thinking fails to tie in with the development trend, for it only intends to position Lantau as a sight-seeing spot while urban areas are still the main shopping areas. In fact, if there are enough shopping malls on Lantau, tourists may stay there for shopping after visiting the scenic spots. They can then depart Hong Kong by air or by sea and need not flock to the urban areas.

The Government has indicated earlier that it will review the receiving capacity of tourism industry of Hong Kong. In reality, it is hard to assess the so-called receiving capacity in a scientific way. At present, it is true that tourists travelling under the Individual Visit Scheme are over-concentrated in consumption hot spots in the urban areas and North New Territories. But we should be long-sighted and examine the visitor carrying capacity of Lantau or other border areas. In fact, there is still much room for receiving and diverting visitors in Hong Kong.

With these remarks, President, I support the original motion and the related amendments. Thank you, President.

MR CHAN HAN-PAN (in Cantonese): President, first of all, I would like to thank Mr WONG Ting-kwong for proposing the motion today so that we have the opportunity to discuss again the development of Lantau Island and Lok Ma Chau.

When I had just become a Legislative Council Member, the first motion I moved is on the development of Lantau Island. Why did I raise concerns on Lantau in my first motion? It is because I see that the future opportunities for Hong Kong will come from Lantau, where a bridge will be built to form an iron triangle with Hengqin, Nansha and Qianhai. As such, I forecast that Lantau will be the locomotive of the future economy of Hong Kong. Over the past year, I have repeatedly asked the Government when Lantau will be put under development and whether an inter-departmental organization will be established to involve the joint efforts of the Government, the public and the business sector in the discussion on Lantau development.

However, one year — almost exactly one year — has passed and it is time to make a conclusion. What response have we received? As pointed out by Mr IP Kwok-him just now, the Government's response is inconsistent and its reply is irrelevant to the question. This proves that the Government has not given any thoughts and has nothing to respond. As a result, we only let such business opportunities slip.

Just now Mr YIU Si-wing said hotels, residential and commercial buildings and all kinds of facilities have been well established in Hengqin on the opposite side. But on our side, the Lantau today is the same old Lantau and it will remain the same tomorrow. Our Tung Chung remains a city of sadness as described by government officials. We all know the rationale that man struggles to move upward while water flows downward. By moving upward, people tend to move to Hengqin where all facilities such as commercial buildings, hotels and tertiary industry are well established. On the other hand, money will flow to other places just like water flowing downward. I am worried that in the absence of well-built supporting facilities, we will lose our advantage upon the completion of the Hong Kong-Zhuhai-Macao Bridge (HZMB). As a result, we will only lose without gain during the process.

We are also aware that we have let slip very good opportunities due to the legal proceedings concerning the construction of the HZMB. Given that we have already won in the proceedings and can proceed with the construction of the HZMB, should we catch up at full speed? But to date, despite my repeated questions over the past year, no feedback has been made to my motion. Hence I think the Government's response is far from satisfactory.

Two days ago, I paid a visit to Qianhai, Nansha and Hengqin with members of the Lantau Development Alliance. They are very proactive and they see that our future development rests on Lantau, which is full of opportunities depending on how we capitalize on them. The local community is even more anxious than the Government. They have repeatedly called for the Government to make overall planning and provide the supporting facilities for developing Lantau. But so far no response has been received. During the conversation with the Lantau Development Alliance, we all sighed that Qianhai, despite being a construction site at the moment, will be well developed with high-rise buildings a few years later and will attract all other developments. By then, what is left on our side? We are worried and are not sure whether the Government has any plan. If it has, can it tell us the plans? What exactly is the "bridgehead economy" mentioned by the Chief Executive?

In my previous question, I have also asked whether the vacant site adjacent to the Airport Island can be reserved for commercial use. Now the bridgehead is well built, will supporting facilities be provided to the artificial island? Apart from transportation support and duty free shops, currently there is nothing else and no planning has been made. Maybe there is planning, but just the Government does not disclose it. Of course I do not want to subject the Secretary to injustice. Therefore, if his reply is positive and if there are good planning and suggestions, please tell us the details in due course so that we do not need to keep waiting. The residents on Lantau have also been waiting for a long time.

I would like to take this opportunity to share the Government's attitude during my contact with the Government over the past year. I had paid a visit to the SkyPier mentioned by Mr IP Kwok-him just now. What is the purpose of building the SkyPier? Originally it was designed that ships may travel to the Mainland from the SkyPier. But after the completion of the Pier, who uses it? It is solely for use by the Airport Authority (AA). Of course we cannot criticize the AA as it is natural for the AA to use the Pier when approval from the

Government is granted. But the question is the SkyPier has its geographical advantage and we hope that Lantau will enjoy advantages in both sea, land and air transport. However, the existing Pier is not open for public use but just for transfer of flights. Isn't it a waste of our opportunities? If someone wants to visit some factories after completing an exhibition at the AsiaWorld-Expo, he can in fact travel by sea from the Pier to various places in the Pearl River Delta Region. Is it possible to make good use of the SkyPier? However, the Government still refuses to do anything and has all along adopted delaying tactics.

When I was a student, I read a text entitled "Treatise on the Six States" which I like very much. I would like to cite one of the sentences to remonstrate with the Government (I quote): "Just think how their forefathers, exposed to inclement weather, hacked a way through brambles in order to gain a piece of land, while their offspring, making little of it, gave it up to others unstintingly"¹. What is the meaning? The descendants of the Six States did not treasure the fundamental assets gained in the past and left a lot of good opportunities to other places. They did not attach any importance to the good opportunities and hence lost many of them. I hope the Government will learn from this and introduce schemes as soon as possible to develop the economy of Lantau Island. Thank you.

MR WONG YUK-MAN (in Cantonese): President, in their amendments to this motion, Ir Dr LO Wai-kiwok, Dr KWOK Ka-ki and Miss Alice MAK talked about the Guangdong-Hong Kong-Macao "one-hour living circle", the Hong Kong-Zhuhai-Macao Bridge and the ancillary facilities at the Lok Ma Chau Control Point. All in all, the basis is the so-called "integration of China and Hong Kong". The title of my speech is "No Mainlandization and reduce the Individual Visit Scheme (IVS) visitors". Everyone is now discussing how to entertain visitors travelling under the IVS. If you ask me, I think it is best to establish casinos on Lantau Island. Nothing can match operating casinos on Lantau in terms of economic benefits. In 1997, I proposed this idea to Donald TSANG but he said I was mad. Just look at Macao, how prosperous it is now. Secretary Gregory SO, have you seen it? The best illustration is that the Macao Government can regularly hand out money to its people.

¹ <<http://www.en84.com/article-8570-2.html>>

The development of Lok Ma Chau and Lantau can surely divert tourists, so that Mainland visitors will not flock to Tsim Sha Tsui, Causeway Bay and Mong Kok for shopping. But that does not mean that the tourists will not visit other districts in Hong Kong, imposing additional pressure on all facilities including the traffic system. When the pressures on Tsim Sha Tsui, Causeway Bay and Mong Kok are slightly alleviated, does it mean we can recklessly increase the number of IVS visitors? On the other hand, what is the objective of opening up the Lok Ma Chau Control Point? Is it to sell medium and high value goods; or to provide a haven for smugglers to trade parallel goods? The correct direction of development should be to cut down on the number of IVS visitors, impose restriction on the multiple-entry permit policy and crack down on smuggling activities.

From the perspective of benefits and advantages, how much have IVS visitors contributed to Hong Kong's economy? As these visitors mainly buy foreign products, the net profit of the local retail industry is not much. According to the statistics published by the Census and Statistics Department, as at 2011, the direct contribution of inbound tourists to Hong Kong's GDP was 3.8%, while the contribution of the spending of IVS visitors to various industries including retail, accommodation services, catering, cross-boundary passenger services and others was estimated to be less 3%. But at the same time, the Hong Kong society pays a huge social price, including price hikes, skyrocketing shop rentals and loss of room for survival of small shops with local characteristics. Cinemas have been turned into brand name shops. When we want to watch a movie, we find that there are fewer cinemas. Are there any street level bookshops? Stationery shops have vanished. Bookshops have to move up-stairs, and one bookshop has even moved up to the 15th floor. Our living space has diminished. This is "delocalization", squeezing out the living space of Hong Kong people.

While Hong Kong is packed with Mainlanders, the living standards of Hong Kong people have plunged. From the perspective of the long-term development of Hong Kong's tourism industry, it is extremely unhealthy that the Government has over-emphasized on IVS Mainland visitors and the unitary source of tourists. Of course, the President may say that I am deviating from the subject now. Let me go back to the subject under discussion. To develop tourism facilities in Lok Ma Chau and Lantau, we must look into various issues, such as the impact on the environment; the appropriate utilization of land, that is, the proportion of private and public residential housing to tourism facilities; the

impact on the traffic system and even on the entire territory, for example, whether the whole Pui O camping ground on Lantau would be occupied by Mainlanders, and the relation between Lok Ma Chau development and the development of North East New Territories. At the same time, we must also consider the even distribution of interests among various social strata. We must boost local employment rather than import labour.

Recently, Mrs Carrie LAM brought up the issue of labour importation again. She is really very bold. Sometimes I find it true that "the butt directs the brain". When someone does something wrong, his/her countenance will change. Mrs LAM is a typical example. She has been so arrogant as to say that the result of electronic voting has no reference value. I also consider that the electronic voting result has no reference value to me, but when the Government carries out a consultation exercise, it cannot be said that the voting result has no reference value. She is so arrogant because of her position. For example, if the Secretary for Commerce and Economic Development takes up such position, he has to be very familiar with the relevant areas in order to be qualified for the job. If someone takes a position that limits his capabilities, he will certainly speak nonsense.

According to the statistics, in 2012, every resident in Hong Kong had to face seven foreign tourists and Hong Kong ranked the third among 11 most crowded cities in the world, next to Paris and Sydney. The area of Sydney is 11 times of that of Hong Kong and its population density is 330 persons per sq km while that of Hong Kong is 6 476 per sq km. Recently, I have travelled by the MTR frequently and whenever I step into the train compartments, I can see Mainlanders everywhere, most of them IVS visitors. I can hardly breathe. I do not discriminate against them, but they do cram into my living space. However, someone would say that they come to shop in Hong Kong and that benefits us. What kind of benefits have they brought?

Recently, I have a personal experience involving the uncivilized behaviour of some Mainlanders. My wife bought a bag in a handbag shop and while I was waiting in a queue to pay for it, a Mainlander came up from behind and said to me in Putonghua, "Let me see it" and then snatched the handbag from my hands. Such behaviour has long been loathed by Hong Kong people. If Lok Ma Chau or Lantau is turned into tourism spots, the local residents will also feel irritated.

The Government should either build more public housing, which is the most important, hospitals and schools, or open start a casino which I can guarantee will bring in huge profits. Does it dare open a casino? Secretary, you do not have to worry about competition from Macao. After starting its casino business, Singapore's economy has grown significantly. Macao's business is so robust that it will open six more casinos and there are not enough card dealers. They have even said that if they can import labour, it would be great if Hong Kong people would work there. Do you know how much the monthly salary is for a dealer? The lowest is \$15,000, higher than what a university graduate in Hong Kong gets. The Secretary should discuss with Macao and train up talents here to work as dealers in casinos in Macao. At least it helps to provide another way out for young people in Hong Kong. Is that right?

We will not oppose developing Lok Ma Cha or Lantau Island but we have to keep this in mind: "No Mainlandization and Reduction of IVS visitors"; otherwise our efforts will be futile.

President, I so submit.

MR LEUNG CHE-CHEUNG (in Cantonese): President, I am very grateful to Mr WONG Ting-kwong for proposing this motion debate on the economic development of Lok Ma Chau and Lantau Island. Mr CHAN Han-pan has presented some views on the development of Lantau and I, as Chairman of the Yuen Long District Council, will present some views on Lok Ma Chau.

The number of tourists in Hong Kong continues to rise. According to the statistics, in 2011 the number of visitors to Hong Kong reached over 23 million and there were also many people working in the related industries, who represented 6.5% of the total working population in Hong Kong. The revenue from tourism in 2011 reached \$85 billion. In 2012, the number of tourists exceeded 48 million, many people were employed by the related industries and revenue from tourism reached \$238.4 billion. The tourism industry indeed brings huge revenues to Hong Kong. However, as regards Mr WONG Yuk-man's remark that the rising number of Mainland tourists coming to Hong Kong has caused the deterioration of Hong Kong people's living quality, I do not agree.

How to divert incoming visitors from popular districts like Mong Kok, Tsim Sha Tsui, Central and even North Point to other places is an important subject concerning the development of tourism resources. However, the Government has been at a loss as what to do. Let us take a look at the number of people visiting various shopping centres every day: 150 000 in Landmark North, Sheung Shui; 330 000 in New Town Plaza, Sha Tin; 300 000 in Harbour City, Tsim Sha Tsui; 230 000 in Grand Century Place, Mong Kok and 170 000 in Times Square, Causeway Bay. It seems that tourists like to converge on the New Territories.

Today's motion mentions about Lok Ma Chau and Mr WONG Ting-kwong specifically proposes to set up a business and shopping centre there, which seems to be different from the plan proposed by the Government during the public consultation. However, although they are different, both proposals seem to target Mainland visitors travelling under the Individual Visit Scheme (IVS visitors), in particular, their movement during their visits in Hong Kong. According to the statistics I cited earlier, the numbers of people visiting Landmark North and New Town Plaza are over 400 000 every day. This number almost equals to the total number of people visiting the shopping centres on the whole Hong Kong Island and even exceeds that of Kowloon. It appears that visitors are moving naturally from the more crowded places to the less crowded places that are easily accessible. For example, after tourists arrive at Lo Wu, it is more convenient for them to go to Sha Tin than to Tsim Sha Tsui or Central. This is a choice from the perspective of traffic. Therefore, if the Lok Ma Chau Loop (the Loop) is developed into a commercial district, it will definitely attract the majority of Mainland tourists to go there and achieve a better effect.

The Government is conducting a consultation about the development of the Loop. In 2008, the Government proposed to develop higher education, high-tech research and development, as well as cultural and commercial industries in the Loop. The area of the site for commercial use will be just 1.2 hectares while 22.8 hectares will be allocated for education use. This does not seem to be in line with the rational that I cited just now. If a commercial district is to be set up in the Loop, it will attract Mainland tourists from the traditional commercial areas to this area, thereby alleviating the pressure on traffic and even the shopping areas.

Therefore, I think that the Loop can indeed be developed into a commercial centre. However, I have to relay another point of view. Because the Loop and the neighbouring areas are a main nature reserve area and wetland, in the course of development, the Government has to carefully consult the local residents. Besides, the Rural Committee of the district has reflected to me the traffic problem. At present, residents there have to travel to Kowloon first and then go back to the Loop. Such an arrangement seems to be impractical and causes great inconvenience to the residents. Therefore, as regards the development of the traffic network, I suggest that the Government consider using the more environmental-friendly means of transportation. For example, people can go to the commercial area by riding the bicycle, on foot or using non-polluting electric vehicles, which are very favourable developments (*The buzzer sounded*) ...

PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up.

MR LEUNG CHE-CHEUNG (in Cantonese): I so submit. Thank you.

MR ALBERT CHAN (in Cantonese): President, the People Power opposes today's motion and the related amendments. The reason is simple. The spirit of this motion is similar to turning Hong Kong into Mexico. If we accept the spirit, principle and direction of today's motion, Hong Kong will gradually become an economic colony of China. Therefore, from the standpoint of local interests and the dignity of Hong Kong people, we cannot accept turning Hong Kong into Mexico as in the Mexican-American relation and turning the borders of Hong Kong into those of Mexico. We can all see the development of Mexico over the past decades. As this country has been colonized economically and controlled by the United States, Mexican people lead a very miserable life. Many people depend on drugs, prostitution, smuggling and trafficking for a living. As local economic development is controlled by the United States, the economy remains stagnant and the country has become a stooge of the United States.

Over the past years, Hong Kong people have blazed a new trail with their resilience, diligence and creativity, and have gradually transformed Hong Kong into an international cosmopolitan city. In the past, the development factors for

Hong Kong might include the Korean War and Vietnamese War, or the development from labour-intensive industry to financial industry. From the days of the British Hong Kong Administration to the era of the former Chief Executive, Mr TUNG Chee-hwa, I have been asking the Government to develop high value-added trades of Hong Kong's industry, so that Hong Kong will not simply attach itself to or rely on the real estate and financial industries; as such economic development will only make people lazy.

President, I would like to talk about district development. The second problem of today's motion is that it is moved by those who have no knowledge about planning at all. I can tell that they do not understand what it means by town planning and land planning. On the question of how to plan district development, the normal practice is to conduct a territory-wide strategic study first. Although we often criticize the Communist Party, the Communist Party has very clear planning on national economic development. Examples include the development of the ocean district in the Northeast in recent years, the development in the Northwest some time ago, and the development in the Pearl River Delta Region at the earliest stage, followed by development of the Yangtze Delta Region. The Communist Party has an overall territory-wide planning and will design the economic system based on regional characteristics. For example, it is clear that Zhuhai emphasizes on leisure education. The same applies to Hong Kong. On the question of what kind of economic development should be made in a particular district, we should first study the territory-wide planning demand and land use.

In the 1980s and 1990s, the Government had proposed to develop Tsuen Wan and Kwai Tsing into secondary central business districts (CBDs). But after Mrs Carrie LAM assumed office, the previous proposals were turned down and replaced by South East Kowloon development. Does this serve to help the Sun Hung Kai Properties earn money? In other words, the rule of man prevails in many cases. However, in the territory-wide planning development, we should study whether the container terminals should be relocated to other districts, so as to vacate the site of some 200 hectares for other development. As regards other districts, territory-wide land use planning should be carried out for a division of functions before we decide which areas will be zoned as CBDs, secondary CBDs, commercial districts, tourist districts and education districts. We should not try to develop Tung Chung today, then Lok Ma Chau tomorrow and Sha Tau Kok the day after tomorrow. Planning should not be made at will or in consideration of

the benefits of a district where a particular Member is from. For example, Mr LEUNG Che-cheung recommends the development of Lok Ma Chau only because he is a Yuen Long District Council member. Planning should not be made out of personal interests or a narrow mindset. Town planning is a process with dreams, designs, goals and steps, as well as a democratic procedure which must be open for territory-wide discussion and consultation, instead of being affected by people of high position. For example, special development is made in Kowloon East because Mrs Carrie LAM is regarded as a "good fighter". But such development does not tie in with the territory-wide development planning.

Talking about district issue, environmental factors are also of utmost importance. Regarding Chek Lap Kok and Tung Chung, there is a traumatic story which I have mentioned in this Council for years. An old Mr WONG used to live on Chek Lap Kok Island where there were only a few households. He had been living in this Shangri-la for decades until he was forced to move to Yuen Long with his loyal dog. His dog, facing south, barked for a week, refused to eat or drink and subsequently died from hunger. Old Mr WONG had lived in Yuen Long for one year and passed away due to poor air quality.

Therefore, the Government must consider the impacts of its planning on residents. Many people totally neglect the pollution generated by the take-off and landing of airplanes which have indeed caused very serious pollution in Tung Chung. I raised a question in this Council in 2010, highlighting the serious pollution problem created by airplanes. If more buildings are constructed in Tung Chung, traffic will be even more congested and Tung Chung will become a town of pollution. According to a report published a few days ago, the pollution index in Tung Chung remains as high as some other districts in Hong Kong, despite its spacious size.*(The buzzer sounded)* ... Therefore, based on the present environment ...

PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up.

MR ALBERT CHAN (in Cantonese): ... such development project must be opposed.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, you may now speak on the amendments. The speaking time limit is five minutes.

MR WONG TING-KWONG (in Cantonese): I will support all the amendments.

Ir Dr LO Wai-kwok proposes to set up an inter-departmental development committee to formulate an overall development plan for Lantau Island. This is very reasonable. In order to make proper development for Lantau, there should be a dedicated department responsible for co-ordination and planning. Inter-departmental co-ordination has all along been a challenge to large organizations like the Government. As such, it is appropriate to set such committee as an inter-departmental one.

In Dr KWOK Ka-ki's speech, he has made a lot of criticism accusing the Government of not providing good care to residents of Lantau. However, does Dr KWOK understand the rationale that it is more effective to make one's own blood than to get blood transfusion? Economic development can create more job opportunities which will surely help Tung Chung residents. As such, we will support the ideas of setting up in Tung Chung flea markets, holiday markets, as well as wet markets and cooked food centres managed by the Food and Environmental Hygiene Department.

Miss Alice MAK has proposed a number of suggestions and I am not going to repeat them. In principle, these suggestions aim at developing district economies, promote industry diversification, enhance infrastructure and relieve residents' burden. The ideas are consistent with ours and so we will support her amendment.

Mr Charles Peter MOK hopes that in emphasizing the employment of the grassroots, the Government will also reserve sites in both areas for developing education, scientific research and technology. I believe these suggestions aim at promoting diversified development in Hong Kong and enhance its competitiveness. We have no reason to object.

Regarding the speeches of Mr WONG Yuk-man and Mr Albert CHAN, I think they are not worth refuting. Months ago, the Democratic Alliance for the Betterment and Progress of Hong Kong submitted a proposal on Setting up a Business and Shopping Centre in Lok Ma Chau South to Secretary Gregory SO, Secretary Paul CHAN and the Chief Executive Mr LEUNG Chun-ying. I hope that the Government will take a serious and in-depth study on the proposal and provide proactive responses in the Policy Address to be delivered very soon.

President, I so submit.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I am very grateful to the 19 Members who have spoken to express their views on promoting the economic development of Lok Ma Chau and Lantau Island. I have listened very carefully to the debate just now. It has been an informed debate touching on a vast variety of issues and many of the points presented are worth our careful consideration. During the debate, many of the Members' proposals are outside the ambit of the Commerce and Economic Development Bureau, but I will make a consolidated response to the main points put forward by Members and relay their views to the relevant Policy Bureaux after the meeting.

In respect of the economic development of Lok Ma Chau, the Government embarked on the study of the long-term development of the frontier areas in as early as 2000. In the study titled "Hong Kong 2030: Planning Vision and Strategy" completed in 2007, members of the public had made different proposals on the development of the Lok Ma Chau Loop (the Loop). The study pointed out that as the Loop was located in the frontier area, it had the potential of developing into a "trade expo" or the base for the development of high-tech industries.

Besides, after years of negotiation, and having carefully listened to the opinions of the people and related industries on both sides, the Hong Kong and Shenzhen Governments signed a Co-operation Agreement at the Hong Kong/Shenzhen Co-operation Meeting held in November 2011, which served as the framework to jointly take forward the development of the Loop. The Co-operation Agreement set out that the two Governments agreed to co-develop the Loop as a "Hong Kong/Shenzhen Special Co-operation Zone", mainly for the use of higher education, complemented with high-tech research and development

facilities as well as cultural and creative industries, and this direction conforms with Miss Alice MAK's proposal.

In mid-2013, the two Governments gave an overview to the people of Hong Kong and Shenzhen the results of public engagement in the Loop Study and the final recommendation regarding the revised Recommended Outline Development Plans (ODP). According to the ODP, the maximum gross floor area of the Loop is 1.2 million sq m, which can accommodate 24 000 students and provide about 29 000 job opportunities. If the development work progresses smoothly, the relevant facilities are expected to commence operation by phases starting 2021.

As I mentioned in my opening speech, the Government will carefully study how to fully utilize the land released from the frontier closed area. These land sites have very high ecological, environmental and natural landscape value, such as wetland, fish ponds, fung shui woods and sites of special scientific interest. Therefore, in considering the proposals on various land uses, the Government must proceed with prudence and comprehensively examine the present environment of the Loop, as well as analyse the various favourable and unfavourable factors in development, so as to delineate the boundaries of the potential development areas. It will also conduct a generic technical assessment to establish the direction and scale of development, so as to lay the ground for detailed planning and engineering study in the next step.

I also mentioned in my opening speech that the Development Bureau would conduct studies on the development potentials of New Territories North and the infrastructures required. I will relay Mr WONG Ting-kwong's proposal to set up a business and shopping centre in Lok Ma Chau to the relevant authorities. On the other hand, as most of the sites concerned in the suggestion are privately owned, it will take quite a long process if the Government were to be involved in resuming the land for such development, and soliciting support from the general public is also time-consuming. On the contrary, it is believed that it will be more efficient for the market forces to drive the development of that area according to its commercial potential.

As regards setting aside a site for data centres, the Government will continue to identify a suitable site for promoting the development of data centres, so as to promote Hong Kong as the hub for data centres in the Asia Pacific region. To support the development of data centres, the Government has, since

2010, provided over 15 hectares of land in Tseung Kwan O and earmarked another two hectares of land for the development of high-end data centres. Under the support of the Government, there are now a cluster of 12 high-end data centres in the Tseung Kwan O Industrial Estate.

I am quite aware of Members' concern about the development of Lantau Island and hope that we can capitalize on the opportunity provided by the commissioning of the Hong Kong-Zhuhai-Macao Bridge (HZMB) and raise the economic development of Lantau to another level. In fact, the Government attaches great importance to this issue and the various Policy Bureaux and departments have maintained close contacts concerning the overall development plan of Lantau Island. They have jointly participated in the relevant work and listened to the views of all sectors. As regards the other subjects and proposals put forward by Members concerning Lantau Island, I wish to add a few points.

In respect of tourism infrastructure facilities, we will continue to increase the appeal of tourism on Lantau Island. In the next few years, the Hong Kong Disneyland will introduce the novel night parade and will also construct the new Land featuring the Iron Man. As regards hotels, there are various types of hotels available on Lantau Island to cater for the different needs of tourists, for example the Tai O Heritage Hotel converted from the Tai O Police Station and the Auberge Discovery Bay Hong Kong commissioned in the first quarter of 2013. Apart from these, the Hong Kong Disneyland is also actively preparing for the construction of new hotels.

In support of Hong Kong's long-term economic development, the Government will ensure the optimal use of the limited land on the Airport Island. The Transport and Housing Bureau will join hands with the Airport Authority (AA) to expedite the development of the North Commercial District (NCD) of the Airport and carry out studies on the future expansion of the Hong Kong International Airport (the Airport). In December last year, the Board of AA decided that the AA would proceed immediately with the development of a new hotel at the NCD on the Airport Island as the area's first phase of commercial development. Relevant planning work to finalize a Master Layout Plan for the entire NCD development will continue.

In respect of the supporting transport facilities, Dr KWOK Ka-ki and Miss Alice MAK have proposed to improve the external transport of Lantau Island. According to the Transport and Housing Bureau, the Transport Department has

been watching closely the demand for public transport services on Lantau Island, including Tung Chung West, and will continue to pay close attention to the development and population growth in the Tung Chung area, conduct timely review and enhance the local public transport services to cope with the demand.

In relation to the railway fare, under the new Fare Adjustment Mechanism of the MTR Corporation Limited which took effect in June 2013, all passengers can enjoy a 10% Same-Day Second-Trip Discount and those commuting between Tung Chung and the urban area can also use the Monthly Pass Extra.

I have also noticed that some Members have proposed the construction of Tung Chung West MTR station. The Transport and Housing Bureau and the Highways Department have commissioned a consultant in March 2011 to study the Review and Update of the Railway Development Strategy 2000, with a view to updating the long-term railway development blueprint for Hong Kong to cater for the latest development needs of society. Two stages of Public Engagement have also been conducted to explore the conceptual proposals of schemes including the Tung Chung West Extension. The Transport and Housing Bureau aims at making a public announcement on the way forward for the railway projects in 2014.

To tie in to the impending commissioning of the HZMB in late 2016 and the further development of North Lantau, the Transport and Housing Bureau will arrange appropriate local public transport services to carry passengers between the Hong Kong Boundary Crossing Facilities and the relevant facilities, so as to cater for the traffic demands of local residents and transit passengers and provide more choices for the passengers.

Miss Alice MAK, Mr IP Kwok-him and Mr CHAN Han-pan have also proposed to open up the SkyPier. According to the Transport and Housing Bureau, the main purpose of providing the SkyPier at the Airport is to provide convenient and speedy ferry services for air-to-sea/sea-to-air transit passengers travelling between Hong Kong and the Pearl River Delta and Macao. As the SkyPier is located within the Restricted Area of the Airport, customs and immigration facilities are not provided currently, and thus cannot be opened for use by non-transit passengers.

Some Members have proposed to promote the logistic industry in Lantau, which, I understand, is under consideration by the Transport and Housing Bureau.

It is worth noting that the development of the Lantau Logistic Park may require land reclamation. From March to June 2013, the Development Bureau conducted the Stage 2 Public Engagement of the Enhancing Land Supply Strategy: Reclamation Outside Victoria Harbour and Rock Cavern Development. The subjects of this consultation included the proposed reclamation sites in Lantau Island, Siu Ho Wan and some other places, and logistic development as one of the uses under consideration. The authorities are collecting the public's views and preparing a report on that.

As a matter of fact, the Government attaches great importance to the development of the logistics industry in Hong Kong. To tie in with the completion of the HZMB, the authorities have set aside 10 hectares of land in Tuen Mun West for logistics development and are now conducting the relevant traffic impact assessment. After establishing the feasibility of the development and consulting the district councils, the authorities will release the sites for use in phases. At the same time, the Transport and Housing Bureau will continue to identify suitable sites for logistics use in concert with the departments concerned.

Next, I would like to respond to Dr KWOK Ka-ki's proposal to open up heritage trails on Lantau Island. Whether a place is suitable for opening up a heritage trail depends on a number of factors, including the sufficiency of heritage spots, and also whether the heritage spots are within walking distance. Most of the built-heritage on Lantau are in Tung Chung and Tai O in North Lantau and the distances between the various heritage spots in Tai O are relatively short. Hence, it seems to be a suitable place for opening up heritage trails. The support of the relevant district councils and local residents is essential to the setting up of heritage trails or facilities, hence further studies are required as regards the proposal on opening up heritage trails.

Regarding the proposal to set up bazaars in Tung Chung as proposed by some Members, while the Government keeps an open mind, I have heard some opposing views just now. For people living in the vicinity of bazaars, they will inevitably be affected to a certain extent, hence members of the public hold different views on hawking activities. Therefore the Food and Health Bureau considers that if various stakeholders in Tung Chung area can reach a consensus on the proposal to set up bazaars at suitable locations, the relevant government departments will follow up. As for night markets selling cooked food, in view of the fact that selling cooked food on streets can easily cause environmental and

health nuisances and it is hard to ensure food safety, the Government's current policy is not to issue any new cooked food hawker licences.

Furthermore, some Members have proposed the construction of more markets in Tung Chung. The Food and Health Bureau advises that the prices of goods in public markets are determined by stall tenants and the goods sold there are not necessarily cheaper than those sold in other markets. Besides, there are two markets run by The Link in Tung Chung already, and there are other shopping centres, supermarkets, fresh food stores and eateries. The authorities always bear in mind the advice of the Audit Commission that the Government should, when planning the provision of new public market facilities, consider carefully the question of viability and cost-effectiveness in order to ensure that public resources are put to appropriate and effective use. Having duly considered the various factors, the Food and Health Bureau does not have any plan for a new public market or a cooked food centre in Tung Chung in the pipeline.

President, lastly I wish to thank Members for their valuable views. I will convey their proposals to the relevant Policy Bureaux and departments after this meeting and will continue to listen to Members' views and the public's voice. The relevant Policy Bureaux will continue to explore the opportunities for development in Lok Ma Chau and Lantau Island. We also welcome your advice. Thank you, President.

PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok, you may now move the amendment to the motion.

IR DR LO WAI-KWOK (in Cantonese): President, I move that Mr WONG Ting-kwong's motion be amended.

Ir Dr LO Wai-kwok moved the following amendment: (Translation)

"To add ", with the gradual materialization of the Guangdong-Hong Kong-Macao 'one-hour living circle', cross-boundary flows of people and goods are bound to increase further; in this connection," after "That"; to delete "build" after "Hong Kong-Zhuhai-Macao Bridge," and substitute with "set up an inter-departmental development committee to promptly

formulate an overall development plan and perfect the infrastructure support for Lantau Island, so as to promote the development of diversified industries such as tourism, convention and exhibition, logistics and environmental protection, etc., including building"; and to add ", thereby creating diversified employment and business start-up opportunities" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ir Dr LO Wai-kwok to Mr WONG Ting-kwong's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr 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.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Mr Vincent FANG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr CHEUNG Kwok-che voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Ms Claudia MO, Mr Michael TIEN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the amendment.

Mr Gary FAN abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 29 were in favour of the amendment and one against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 20 were in favour of the amendment,

six against it and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Promoting the economic development of Lok Ma Chau and Lantau Island" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Promoting the economic development of Lok Ma Chau and Lantau

Island" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, as Ir Dr LO Wai-kwok's amendment has been passed, you may now move your revised amendment.

DR KWOK KA-KI (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok be further amended by my revised amendment.

Dr KWOK Ka-ki moved the following further amendment to the motion as amended by Ir Dr LO Wai-kwok: (Translation)

"To add "; this Council also urges the Government to develop eco-tourism, open up monuments and heritage trails, build water sports centres, build more relevant commercial support facilities on Lantau Island, and set up flea markets, holiday bazaars and markets and cooked food centres managed by the Food and Environmental Hygiene Department, etc. in Tung Chung; the Government should also improve the external transport of Lantau Island, especially the bus services in Tung Chung West, and request the MTR Corporation Limited to reduce the fares of the Tung Chung Line and expeditiously build Tung Chung West Station" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr KWOK Ka-ki's amendment to Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Mr Vincent FANG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr MA Fung-kwok and Mr Martin LIAO abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Dr Priscilla LEUNG, Mr Alan LEONG, Ms Claudia MO, Mr Gary FAN, Mr

CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the amendment.

Mrs Regina IP, Mr Paul TSE and Mr Michael TIEN abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 28 were in favour of the amendment and two abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 21 were in favour of the amendment, three against it and three abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Miss Alice MAK, as the amendments of Ir Dr LO Wai-kwok and Dr KWOK Ka-ki have been passed, you may now move your revised amendment.

MISS ALICE MAK (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok and Dr KWOK Ka-ki be further amended by my revised amendment.

Miss Alice MAK moved the following further amendment to the motion as amended by Ir Dr LO Wai-kwok and Dr KWOK Ka-ki: (Translation)

"To add "; this Council also urges the Government to, with a 'people-oriented' mindset and on the premise of balancing conservation

and development, expeditiously plan for the development of Lok Ma Chau and Lantau Island to stimulate the economy; the relevant proposals include: (1) to develop 'on-street economy', including conducting studies on the setting up of night markets in Tung Chung and the establishment of markets with characteristics and traditional culture in suitable places of Lantau Island and Lok Ma Chau, so as to implement a dual economy, thereby providing small business operators with development opportunities and offering residents and tourists more diversified shopping choices; (2) to develop new industries such as research and development of new technology-intensive industries, cultural and creative industries and the environmental industry, etc., in Lantau Island and the Lok Ma Chau Loop, so as to create more positions at the middle and low levels for providing residents with various employment opportunities; (3) to conduct studies on the development of cycling tourism in Lantau Island and Lok Ma Chau, including expeditiously implementing the construction of coastal cycle tracks in North Lantau, extending the cycle track works connecting the Northwest and Northeast New Territories to Lok Ma Chau and providing bicycle ferry services from Lantau Island to Sunny Bay, Park Island and Tsuen Wan, etc., so as to enable both areas to develop green and low-carbon transport and green economies; (4) making reference to the model of 'holiday markets' in overseas countries, to promote bazaar culture and organic produce markets in both areas, so as to promote local fresh fisheries and agricultural products and facilitate the development of relevant industries; (5) to construct training colleges which match the mode of local economic development on the sites for developing higher education in the Lok Ma Chau Loop, so as to train more local talents to dovetail with Hong Kong's future economic development; (6) to expeditiously develop Tung Chung West, and expeditiously implementing the alignment and station points of the Northern Link mentioned in the 'Railway Development Strategy 2000', so as to provide transportation support for the development of both areas; (7) to open up the SkyPier for use by inner harbour ferries, so as to increase Tung Chung's connection with other areas; and (8) to abolish the toll for Lantau Link and launch reasonably-priced monthly tickets on a zonal basis for the Tung Chung Line, so as to reduce the travelling expenses of Lantau Island residents and tourists" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Miss Alice MAK's amendment to Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok and Dr KWOK Ka-ki be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Mr Vincent FANG, Prof Joseph LEE, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Abraham SHEK, Mr Andrew LEUNG, Mr YIU Si-wing, Mr MA Fung-kyok, Mr Christopher CHEUNG, Mr Martin LIAO and Ir Dr LO Wai-kyok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr Paul TSE, Mr Alan LEONG, Ms Claudia MO, Mr Gary FAN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the amendment.

Dr Priscilla LEUNG, Mrs Regina IP and Mr Michael TIEN abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 23 were in favour of the amendment and seven abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 21 were in favour of the amendment, three against it and three abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr Charles Peter MOK, as the amendments of Ir Dr LO Wai-kyok, Dr KWOK Ka-ki and Miss Alice MAK have been passed, you may now move your revised amendment.

MR CHARLES PETER MOK (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok, Dr KWOK Ka-ki and Miss Alice MAK be further amended by my revised amendment.

Mr Charles Peter MOK moved the following further amendment to the motion as amended by Ir Dr LO Wai-kwok, Dr KWOK Ka-ki and Miss Alice MAK: (Translation)

"To add "; this Council also urges the Government to, by making use of their cross-boundary advantages, reserve sites in Lok Ma Chau and Lantau Island for developing scientific research and data storage, and for building the relevant ancillary facilities, thereby enhancing Hong Kong's competitiveness" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Charles Peter MOK's amendment to Mr WONG Ting-kwong's motion as amended by Ir Dr LO Wai-kwok, Dr KWOK Ka-ki and Miss Alice MAK be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Mr Vincent FANG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr MA Fung-kwok and Mr Martin LIAO abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 28 were in favour of the amendment and two abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 26 were in favour of the amendment and three against it. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, you may now reply and you have three minutes 15 seconds.

MR WONG TING-KWONG (in Cantonese): President, I would like to thank Ir Dr LO Wai-kwok, Dr KWOK Ka-ki, Miss Alice MAK and Mr Charles Peter MOK for their amendments to my motion today, which have enriched my original motion and added some specific proposals. I would also like to thank the 18 Members who have spoken today. However, Secretary Gregory SO's response to my motion seems to have failed to practically respond to the earnest expectations of Members. I hope the Secretary would conduct in-depth studies together with other government departments and implement our proposals, and seize the opportunities so that our economy can have more brilliant achievements. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Ting-kwong, as amended by Ir Dr LO Wai-kwok, Dr KWOK Ka-ki, Miss Alice MAK and Mr Charles Peter MOK, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Mr Vincent FANG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr CHEUNG Kwok-che voted against the amendment.

Mr Martin LIAO abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai,

Mr Gary FAN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man and Mr CHAN Chi-chuen voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 28 were in favour of the motion as amended, one against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 22 were in favour of the motion as amended and seven against it. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the motion as amended was passed.

PRESIDENT (in Cantonese): It is now 7.30 pm. As it is uncertain whether all the matters on the Agenda will be completed before midnight, I will suspend the meeting at around 10 pm until 2.30 pm tomorrow.

PRESIDENT (in Cantonese): Fifth Member's motion: Assisting young people in their development on all fronts.

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

I now call upon Dr CHIANG Lai-wan to speak and move the motion.

ASSISTING YOUNG PEOPLE IN THEIR DEVELOPMENT ON ALL FRONTS

DR CHIANG LAI-WAN (in Cantonese): President, I move that the motion, as set out on the Agenda, be passed.

This year marks the 140th anniversary of the birth of Mr LIANG Qichao, an influential Enlightenment thinker. Mr LIANG had developed many thoughts and produced many famous writings, among which the article entitled "On a young China" is the most remarkable. In the article, Mr LIANG used the comparison of the elderly and young people to explain his views about the future of China and I quote, "It is said that the elderly often look back on the past while young people look ahead to the future. Looking back evokes feelings of nostalgia while looking ahead brings hope". In other words, a country or a city will have a prosperous future if its young people are full of hope.

President, I believe you would agree that when we were young, we were generally very hopeful about our future. However, nowadays, many young people feel gloomy and have lost hope about the future. Earlier, an organization conducted a survey and interviewed more than 1 500 secondary school students and university students to gauge their views on suicide. Surprisingly, the results showed that up to one fourth of the respondents indicated that they had considered committing suicide, and the majority of this group also admitted honestly that they did not have any purpose in life or hope for the future.

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

That reminds me of a famous saying in the film Shaolin Soccer — "Those living without dreams are more or less like a dead salt fish". Young people should be full of energy and hopeful about the future. What really are the causes for our young people to lose meaning in life and even consider committing suicide which is a road of no return? After reading a variety of analyses, I have classified young people who have lost hope into two groups: first, young people who are muddling along and second, young people who are incapable of fulfilling their high aspirations.

Let me talk about the group of young people who are muddling along first. This group of young people either comes from very rich or very poor families. Why do I say so? People of the affluent second generation are so wealthy that they do not have to worry about their living for the rest of their life. Therefore, they seem to have no special aspirations in life and do not know what more to hope for. As all of their demands will be met automatically and they have everything they need, they do not know what to hope for and feel gloomy about the future. The other group is the second generation from very poor families. They are at the lowest stratum of society and think that no matter what they do, they cannot make a mark in society. Hence, they would muddle along as long as they have a roof over their head and have their stomachs filled. Is life really that simple? Certainly not. How can we help this group of young people who are muddling along to have hopes in life? We have to help them develop a positive mindset and proper life values.

The second group comprises of young people who are incapable of fulfilling their high aspirations. What are these people like? They are exactly the opposite of the first group. They have set their life goals and developed a set of values. They are diligent and spare no effort in achieving their goals. However, when they realize that their life goals are becoming increasingly hard to achieve, or can never be achieved, they will lost all hopes and become one of many frustrated young persons. As they cannot do or get what they want, the feeling of frustration will persist for the rest of their lives and affect them seriously.

What are the hopes of young people in general? According to the psychologist Daniel LEVINSON, there are four dreams which will have a persistent impact on the life of young people. They include developing a set of values, making friends, choosing an occupation and pursuing love. Among them, developing a set of values and choosing an occupation are the dreams that many young people in Hong Kong are pursuing.

Deputy President, I believe you and I, Members who are present in this Chamber and everyone in Hong Kong hope to do something for our next generation. We hope to build up a good future for our young people because that will give them hope. However, how can we give young people or the next generation hope? It actually depends on how the Government will take the lead with foresight and a broad vision and take the first step in formulating a major

youth policy. That leads to the topic of "Assisting young people in their development on all fronts" which is also the theme of today's motion.

I have made four proposals. First, I suggest the Labour and Welfare Bureau to join hands with the Education Bureau in providing "career and life planning" in secondary schools. Many of us may remember when we were young, we might have written an essay entitled "My aspiration". Did we have the chance to pursue that dream? As we grow older, we might realize that the aspiration we had as a child might be unrealistic. For example, we might aspire to travel frequently, but then realized that it was impossible, or we might hope to become a bus driver, thinking that it was an awesome occupation, but might lose interest in the work as we grew older. Therefore, we think we should let our secondary school students understand their aspirations and the occupations which are suitable for them, so that they can identify the job opportunities available to them when they graduate from university. In this way, the current manpower mismatch in that "while there are job vacancies left unfilled, some people remain jobless" can be avoided. This is an area which the Government should review seriously.

Second, I consider that parents, schools and the society as a whole have the responsibility to assist our young people in developing proper values, so that they can face adversities positively. Many people say that our young people can barely look after themselves. Undeniably, in the present day, people are not in lack of basic necessities and basically, no one will die from hunger. However, as I said earlier, young people who are over-protected lack ambition and they cannot cope with failure and difficulties. Therefore, as many child psychologists have pointed out, assisting children to develop proper values at an early stage will be beneficial to them for the rest of their life. It will assist them in making decisions about marriage, occupation, friendship, and so on.

Third, I would like to talk about setting up a fund for infants. In my view, if the Government is to encourage childbirth, it should consider whether it can provide a sufficient number of schools, housing units and career opportunities. Nowadays, some young people do not want to have children, and what are the reasons for that? They said they did not want to see their children follow their footsteps of living a hard life. Such voices are becoming loud and clear. I do not know if the Government has seriously considered how it can serve all infants born in Hong Kong well. Young people today are uncertain about the future.

They are not sure if they can afford their own flat. Some may suggest that they can apply for public rental housing, but the Government has said that it did not have any land. If no land is available at present, the problem will be worsened after 30 years. Therefore, I think the Government should draw up a plan in this area as soon as possible. Given the limited time, I will not say too much about setting up a fund for infants.

Lastly, as the Government will publish the Policy Address next week, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has put forward "The DAB's Proposals for the forthcoming Policy Address and Budget" some time ago. These proposals include urging the Government to increase senior year articulation places for subsidized degree students, so that more associate degree graduates can undertake subsidized degree courses; and increase the number of scholarships offered by the Self-financing Post-secondary Education Fund, so as to encourage students undertaking self-financing courses to strive for better results. In addition, in order to strengthen the career advisory and counselling services in secondary schools, we have also suggested the Government to enhance the counselling services for further studies and employment, and increase the number of designated personnel where necessary to strengthen the support given to secondary school students in planning for their future career.

Deputy President, young people should be full of fighting spirit and hopeful about the future. However, young people nowadays have lost hope as their situations have not improved even after they have strived to resolve the difficulties. I remember about a year ago, Mr CHAN Hak-kan of DAB wore a four-leaf clover, a symbol of luck, when we were discussing the motion regarding the four concerns of young people, namely education, employment, home ownership and business start-up. After a year, have we done anything in relation to these four concerns of our young people? Therefore, I earnestly urge the Government to think from a wider perspective and formulate a comprehensive youth policy in assisting young people to make "career and life planning" and set life goals, so that they can live life more hopefully with a pragmatic attitude in their development.

I so submit. Thank you, Deputy President.

Dr CHIANG Lai-wan moved the following motion: (Translation)

"That young people are the future masters of society, and the Government and society should promptly provide suitable guidance and assistance for their future to allow young people to make early preparations for their 'career and life planning'; in this connection, this Council urges the Government to assist young people in their development on all fronts, including increasing the variety of and places for higher education programmes, expanding various training and employment support services, introducing measures to encourage new generations to draw up savings and financial management plans, and providing information on all fronts at the stage of secondary education to assist young people in understanding their interests, aspirations and ability, as well as the occupational manpower demand in the future, and thereby choosing the academic discipline, occupation and lifestyle suitable to them, so as to help young people to build a bright future with greater confidence and a pragmatic attitude."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr CHIANG Lai-wan's motion be passed.

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

I will first call upon Mr Kenneth LEUNG to speak, to be followed by Mr KWOK Wai-keung, Mr CHEUNG Kwok-che, Mr CHAN Kin-por, Dr Helena WONG and Mr Michael TIEN; but they may not move amendments at this stage.

MR KENNETH LEUNG (in Cantonese): I would first like to talk about Dr CHIANG Lai-wan's speech delivered just now. Basically, we do not think young people should be categorized. As each young person is an individual and has different needs, we should not classify them into "those who are muddling along" and "those are incapable of fulfilling their high aspirations".

In discussing how to assist young people in their development, we should basically consider what role the Government plays. As the discussion involves how the Government should implement public policies, we have to define what the Government can do and what it cannot do and require the assistance of parents, schools, social workers and friends.

Dr CHIANG Lai-wan has put forward proposals, such as making "career and life planning" and drawing up "savings and financial management plans" in her motion. Deputy President, I consider it inappropriate to discuss such proposals as a matter of policy because everyone will have different plans for their future. Even for my children, I can only discuss with them and give them guidance. I cannot tell them what they should do after 10 years, or what kind of career path they should pursue; I cannot tell them what I hope they can do. That should not be the attitude adopted by us. We should give young people a fair chance of development and a free learning environment. I stress the importance of a free learning environment which enables young people to explore the world.

The way young people plan for their future after graduation and spend their savings will depend on their background, vision, interests and expertise. For example, some young people will choose to work in big international corporations; some will pursue further studies; some will have a working holiday and experience the life in an overseas country; and others will even choose not to work in the near future and rove around the world for two or three years before returning to Hong Kong. Therefore, I think it is really not necessary to formulate a plan for every young person and explore how to assist young people in a parental way. Let me advertise and recommend a very good set of books entitled *The May Moon Money-Wise Box Set* published by the Hong Kong Institute of Certified Public Accountants (HKICPA). It will be good for Members to recommend this set of books to their teenager children or read with them. This is a set of books which the HKICPA published many years ago to advise parents how to give pocket money to their children and how to teach their children to manage their finance. Therefore, the Government should not do too much in this area.

Having said that, in formulating a youth policy, I think the most important consideration for the Government is how it can provide young people with the chance of upward mobility, so that they can have sufficient room — I stress the word "room" — for suitable development according to their expertise and interests.

Speaking of the chance of upward mobility for young people, the Conservative Party of the United Kingdom conducted a study on social mobility in 2011. It was pointed out in the beginning of the report entitled "Opening Doors, Breaking Barriers: A Strategy for Social Mobility" that a decision was made to "make social mobility the principal goal for our social policies; to create a more open society, where we loosen the links between the lottery of birth and chances in life".

Deputy President, it is worthy to note that the findings of the report show that the chances of development for young people are often directly affected by the social class and the income of their families. Dr CHIANG Lai-wan mentioned the two extreme examples of the affluent second generation and young people who are incapable of fulfilling their high aspirations. However, there is also a large population of the sandwich class or the middle class. These three groups of young people may have different needs. For example, it was pointed out in the report that young people from affluent families generally obtain better results in public examinations than their counterparts from low-income families. In addition, the percentage of young people from low-income families entering professional or managerial occupations is also comparatively low. What this study shows us is nothing more than a social phenomenon. Dr CHIANG Lai-wan mentioned earlier that the affluent second generation did not have any goals in life, but the question is whether the parents, not the Government, have spent time in helping their children identify, and not drawing up for them, their goals in life during their development.

A similar study has been conducted in Hong Kong. According to a recent study conducted by Prof CHOU Kee-lee of The Hong Kong Institute of Education, in 1991, the university enrolment rate was 8% for students from families earning an income below the poverty line and 9.3% for the more affluent students. However, in 2011, that rate has increased only slightly to 13% for the former group, but substantially to 50% for the latter group, which is 3.7 times that of the poorer students. These figures are alarming.

According to the results of the abovementioned study, in order to increase social mobility, apart from providing a level playing field so that every young person will have the opportunity to study or work, the Government has to implement policies to provide assistance to children of grass-roots families. For example, it has to provide them with more bursaries to reduce the burden of school fees, and subsidize the students to participate in extra-curricular activities,

after-school tutorial sessions and even study tours to gain experiences. These are policies and measures which are worth considering.

Apart from providing education opportunities, the Government has to review the current model of economic development in Hong Kong from a wider perspective. For those who were born in the 1960s, 1970s and even the 1980s, there were ample opportunities for development, but why are there fewer opportunities as our society becomes more affluent? Where have the opportunities gone?

Another indicator of social mobility is the room for one to build a career according to one's ability, interests and skills. At present, how much room is there in our society for young people to develop or start up business? If one does not choose to become a professional such as a doctor, a lawyer or an accountant, one may choose to become an investment banker or engage in land speculation. Are these the only five options which Hong Kong has to offer? Can this economic development model dovetail with the interests, expertise and academic pursuits of our young people?

Hong Kong has a very narrow economic structure and it offers unitary jobs. As I mentioned just now, if young people do not enter one of the professions, become an investment banker, engage in property trading or speculate, they will lose the chance to become wealthy or move upward socially. That is indeed a very sad reality. The high operating costs of industries and businesses in Hong Kong have created a very practical problem. In fact, this Council has discussed the topic of how to promote diversified economic development in Hong Kong no fewer than eight times. In order to increase the upward mobility of young people, the Government has to do more than simply assisting them in their development in schools. It has to reposition the entire economic structure of Hong Kong and facilitate the development of more diversified jobs.

We have noted many practical problems. High rent has reduced the opportunities for young people to start their own business. However, I have noted in countries such as Ireland, there are things that the Government will do to assist young people who want to start their own business. For example, providing land at a low price or even free of charge, or giving young people full tax exemption during the first two to five years of starting up their business and levying a profits tax on them only when their business start to yield profits.

Deputy President, I so submit.

MR KWOK WAI-KEUNG (in Cantonese): Deputy President, I believe we often hear people say that young people are the pillars and the future masters of society. Those words are pleasing to the ear, and people may feel at ease in uttering these words, but to those of us here who are the onlookers, we are furious. If the Government considers young people as the pillars of society, it should attach importance to them, allocate more resources to them and think of ways to enhance their development, just like the "monster parents" whom we often speak of, who are actually very concerned about the development of their children and are eager to see their children become high flyers. As Mr LEUNG mentioned just now, the Government should really play the role of a parent in nurturing young people. However, do we think we have a "monster government"? I do not think we have a "monster government"; instead, we have a government which is very indulgent and our young people are left at a loss as to what to do.

Therefore, we support the motion on "Assisting young people in their development on all fronts" proposed by Dr CHIANG Lai-wan. In particular, the words "on all fronts" mean providing assistance in different areas in a comprehensive and multi-directional way. The amendment which I have proposed also involves a number of areas including education, employment and personal growth. Certainly, I would not be able to cover all of the contents in 10 minutes and so I will be concise and will give a summary.

First, I will talk about career and life planning. Members may have heard the saying "opportunities will be reserved for those who are prepared". I think the saying is applicable to everyone, be it an inexperienced young man or a successful person. Preparation is important to everyone. However, what is the reality? Be it a fresh graduate or a young person who has been working for a few years, he is uncertain about the future and cannot see the way ahead. People do not know whether they should turn left or right. I believe the root of the problem lies in the lack of advance preparation.

Some people think that career planning should certainly be made after graduation because one only looks for a job after graduation, and so it is not necessary to plan too much ahead. That is a big mistake because advance preparation is necessary in many areas. For example, if a young person aspires to become an accountant like Mr LEUNG, he would have to be good at mathematics, sensitive to money and figures and be able to stand boredom because an accountant has to work long hours in office. He would also have to

pass examinations at different levels to obtain the professional qualification. If a young person aspires to join one of the disciplinary forces which I think have very stringent requirements now, he must be strong enough to pass the physical fitness tests. A strong physique cannot be built in a couple of weeks after graduation; and a prolonged period of training is required. Another example is that if a young person aspires to become a chef, he should stay away from food with a strong taste, as this will affect his taste buds, and he cannot detect the various tastes as he grows up. Advance preparation and planning are indeed needed in many areas.

However, nowadays, career counselling is unfortunately given at a rather late stage, either in senior secondary or at university level. I think it should be given in junior secondary, so that students will learn about the advantages and difficulties of various careers. If each young person is well aware of how to suitably develop his talents and potentials at an early stage, he will not enter a wrong trade and waste his time and efforts aimlessly. If colleagues have conducted recruitment exercises recently, they will know the problem. When the applicants were asked what they wanted to do, they often said that they had not identified their interests after working for two years. Upon hearing that answer, I felt sorry for them because in principle, such a decision should be made in their university years. Advance planning is conducive to a successful career.

Second, vocational education should be strengthened and diversification of industries should be promoted. I think Members are familiar with such arguments. Hong Kong attaches much importance to the education provided by grammar schools and the curriculum mainly includes the subjects of Chinese, English and Mathematics. Let me give the example of a student who took the last Hong Kong Advanced Level Examination whom we have helped recently. This student, who applied to study in the Faculty of Chinese at a university, obtained grade A in Chinese Language, Chinese History and Literature, but failed in Use of English and therefore was not admitted. Evidently, this student intends to focus on studying Chinese, but a pass in Use of English is required, is that reasonable? Similarly, many practical and technical subjects also require students to study Chinese, English and Mathematics. Will these subjects be very useful? I think they may help a bit, but are they necessary or very helpful? I do not think so. Although Applied Learning courses are available in the New Senior Secondary curriculum, their effectiveness is still uncertain since such courses have only been introduced recently. In addition, as parents of a

traditional mindset would like to see more academic instead of technical subjects on the report cards of their children, the efficacy of Applied Learning courses is yet to be examined and explored.

Besides, under the existing Joint University Programmes Admissions System, many students would apply for programmes in engineering or business studies, particularly business administration. For industries mentioned by the Government that enjoy clear advantages, including the financial and the business sectors, a large supply of manpower will be provided as everyone flocks to enter these industries. However, pardon me for my comment; industries with clear advantages will still operate well even without the Government's involvement. As a matter of fact, the Government should play the role of assisting the weaker industries or trades, so that they can have room for survival and young people can have more options. Unfortunately, the Government has failed to do so. It only encourages people to join the industries with clear advantages and pays no heed to other industries without the advantages.

As we have often mentioned, there is manpower shortage in various technical industries, such as healthcare, construction, shipping, and even in lift maintenance which we often speak of. However, as these industries do not offer high salaries, they can hardly attract young people to join. If more options are to be given to young people, development of diversified industries is necessary.

Third, apprenticeship training should be enhanced. As I mentioned just now, a lift technician should be able to earn his living because lift maintenance requires a lot of expertise and as everyone uses lifts, our safety is affected. However, unfortunately, the wage level of these workers cannot reflect the importance of the occupation. According to the wage rate offered by the companies, if workers do not work overtime, they cannot make ends meet. It is sad to learn that a worker can only earn \$10,000 if he works eight hours a day, and he has to work 12, 13 or even 14 hours for a monthly salary of some \$15,000 to support his family.

Why is this occupation developing so slowly? Apparently, this is an occupation worthy of a decent pay, but that is not the case now. The reason is that the market is controlled by a few companies and the wage rate has probably been negotiated and agreed upon by them. The wage rate has therefore been suppressed. To enhance apprenticeship training, not only is diversified training

required, the wage rate of the positions concerned has to be raised too. In addition, I hope that the apprentices will be protected under the Employment Ordinance during their apprenticeship. The quality of apprenticeship will be up to standard only after the apprentices have been provided with basic protection and support.

Furthermore, training for young people of Hong Kong should be enhanced. To put it simply, our young people should have a lot of opportunities, but all of these opportunities have been taken up by foreigners owing to the implementation of the General Employment Policy and various schemes on admitting talents and professionals. These foreigners not only come from the Mainland, but from all other places. At present, more than 80 000 foreigners work for their employers in Hong Kong. They are required to possess degree qualification or above and they are actually competing with our local university graduates. Has the Government required those employers who have employed talents and professionals from outside Hong Kong to train local university graduates within a limited time, so that such positions can be filled by local people without relying on the schemes on admitting talents and professionals in the long run?

Lastly, I would like to point out, as young people are the pillars of society, they cannot stand on their own. A foundation has to be laid to reinforce the pillars, otherwise they would fall. This boils down to the question of whether the Government has laid a good and piled foundation to stabilize the pillars. I hope these pillars will stand upright, and will not sway and fall. Does the Government has the responsibility to *(The buzzer sounded)* ...

DEPUTY PRESIDENT (in Cantonese): Mr KWOK, your speaking time is up.

MR KWOK WAI-KEUNG (in Cantonese): Thank you, Deputy President.

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, as a front-line social worker who has been working for more than 40 years in Hong Kong, I can surely say that young people in Hong Kong are now living under the most difficult circumstances in history. In terms of housing, employment, education and personal growth, their predicament is the worst ever. The majority of our young people have a feeling of helplessness and they feel gloomy about the

future. Today's motion, which proposes to assist young people in their development on all fronts, has far-reaching implications and the proposals are raised loud and clear. However, in the eyes of the seasoned social workers who have been providing youth services for years, these are but empty words because the problems described in the motion are vague and the so-called proposed solutions fail to take the full picture into account. The truth is, if we do not let young people speak out their concerns; if we do not have a thorough understanding of what young people are thinking, and claim, in an opinionated way, that we speak on behalf of young people, the problems cannot be solved effectively. Therefore, my amendment focuses on urging the Government to extensively collect views from young people when formulating development policies for young people by ways such as increasing their participation in the Government's advisory framework.

Deputy President, at present, although the Government has established a policy consultation framework which allows youth participation, the members are appointed and the establishment is window dressing in nature. The participants are mainly middle-aged people, or even retirees, most of them belong to the social stratum of professionals and as such, they are totally unrepresentative. As the consultation framework obtains administrative support from government departments, the activities organized are similar in nature as those organized by the Government, which is promotional in nature without any consideration of continuity. Under the existing consultation framework established by the Government which allows youth participation, the most widely known organization is the Commission on Youth. Its members are appointed by the Government, and as I mentioned just now, they come from an older age group, mostly belong to the middle or the upper class who are out of touch with the public and lack extensive representativeness. Their work fails to address the real concerns. For example, the monthly youth exchange sessions had discussed topics such as "Hong Kong's potential bid to host the Asian Games in 2023" which were irrelevant to the actual problems faced by young people. Although more relevant topics such as "The Second Stage Public Consultation on Healthcare Reform" and "Review on the regulation of Internet cafes" had been discussed, the problems were left unaddressed after the discussions. Hence, these discussions failed to arouse the attention of young people. Another example is the activity organized jointly with the Home Affairs Bureau. The Youth Summit held annually, for example, is merely a publicity event organized by the Government. In fact, young people of Hong Kong have increasing aspirations to participate in social affairs. According to the statistics on "Youth

in Hong Kong — A Statistical Profile 2010" published by the Social Sciences Research Centre of the University of Hong Kong, the proportion of youth aged 18 to 25 who were registered electors of geographical constituencies rose from 34% in 2006 to 40.2% in 2008, representing a rise of 6% in two years. In District Council elections, the turnout rate of youth rose from 22.3% in 1999 to 54.8% in 2007, representing an increase of almost 150% in eight years. In Legislative Council elections, the turnout rate of youth was 45.1% in 2008. Although this was lower than the turnout rate of 52.9% in the Legislative Council Election in 2004 held after the march in protest of the enactment of laws to implement Article 23 of the Basic Law, it was higher than the turnout rate of 38.4% in the Legislative Council Election in 2000. In recent years, from the participation of young people in the movement against the Express Rail Link to the movement against brainwashing education, it has reminded older people like us that policy formulators are getting out of touch with young people. Another example which reflects the Government's conceitedness is the Youth Square in Chai Wan. With a construction cost of \$800 million, the Youth Square has been incurring a loss of \$30 million every year. It has been criticized for its poor management and low utilization rate, and up till now, it still fails to turn from deficit to surplus. Hence, it has become another failure of the Government in being opinionated and blindly believes in the market. Unfortunately, the Government has not learnt a lesson. There are many other examples. The Commission on Youth, established in October 2010, comprises members from the industrial and business sectors and professionals, has held various activities on employment, business start-up and further studies of young people. However, it is obvious that these activities are not only window-dressing in nature, but are also tools for building up the pro-establishment camp and as such, they are not worth mentioning at all. After all, what Hong Kong needs is a platform which allows young people to voice their opinions and influence policies. In fact, before the Government has put in place such a platform, young people can only express their aspirations by way of participating in social movements.

Speaking of the difficulties faced by young people of Hong Kong, I will take the trouble of raising the problem of self-financing degree programmes once again. As we may be aware, these programmes have been indiscriminately offered and the fees charged are excessive. The astronomical fees have not only caused indigent students to be heavily indebted even before graduation, they are also a kind of social injustice. At present, the fees of self-financing degree programmes range from \$55,000 to \$82,000 a year and it costs more than \$300,000 to complete a programme. There are more than 30 000 self-financing

sub-degree programmes in the market, among which only 9 000 are publicly funded. A self-financing sub-degree programme charges \$50,000 a year. Considering that the minimum wage rate is only \$30 per hour, the fees are unreasonably high. In the report on "Borrowing to study — A Study on the basic needs and financial burden of young people" published by the Hong Kong Federation of Youth Groups three months ago, it was estimated that students of publicly-funded and self-financing degree programmes would incur a debt of more than \$100,000, and only 15.7% of these students were confident that they could pay their loan instalments on time after graduation. In relation to the financial stress suffered during the years of their studies, the respondents scored a high average of 7.31 on a scale of 10 with level 10 being "the most stressful". This shows that tertiary students suffer great financial stresses. In addition, young people face great difficulties in their daily lives, namely, high land price and high rent. Property owners and real estate developers have been fattened at the expense of the quality of life and chances of leading an independent life for young people. For example, many young people fail to own a small flat even after years of hard work and become "shell-less". They hold many grievances and are dissatisfied about the Government's administration. If the Government continues to ignore the opinions of young people intentionally or otherwise, it will inevitably give rise to social instability.

The other problems mentioned in the original motion have actually been discussed in this Council. If the Government really intends to listen, it can refer to our past records. I would like to talk about "career and life planning" in particular now. At present, the Government has put in place various schemes, including the Youth Pre-employment Training Programme, the Yi Jin Diploma, the Skills Upgrading Scheme Plus courses, the Youth Employment Start and employment programmes for young people. Despite the variety, these schemes are only piecemeal initiatives implemented without focus. Ten years ago, the Hong Kong Federation of Youth Groups has started to offer training on career and life planning in more than 300 secondary schools and tertiary institutions, with a view to helping young people go through the transition from school to work. The targets of these courses are secondary school students in the senior forms. Through different activities and experiential learning, the connection of "career and life planning" and personal career development is linked closely in a systematic manner and students are stimulated to consider their plans for the future. These courses are school-based and led by social workers. The contents of the training are tailor-made after the needs have been thoroughly understood. Such an approach has been very successful in Taiwan and a

feasible model has been drawn up in Hong Kong. Therefore, I propose to increase the number of school social workers in secondary schools to provide young people with services related to "career and life planning". Through aptitude tests and life planning guidance, students can enhance their self-understanding, so that they will have a good understanding of their life goals as well as their strengths and weaknesses. In this way, they can plan ahead in choosing their academic discipline and occupation and build a future. I will give the Chief Executive the specific proposal of giving two sessions of "career and life planning" to every secondary school student, one in the junior forms and the other in the senior forms. Through these sessions, students will be assisted in gaining an understanding of their interests, strengths and weaknesses at different stages, so that they can choose the academic discipline and occupation most suitable for them and plan for their future in the longer term. At the same time, social workers will liaise with different parties in the community to provide places of work trial and workplace attachment, so that secondary school students in the senior forms can acquire skills in the workplace and gain an understanding of the actual work conditions in different occupations. Such a scheme will not incur a lot of resources. It requires an addition of 0.8 school social worker in each of the 478 secondary schools in Hong Kong and will incur a funding of only \$200 million a year. It can also slightly alleviate the existing problem of serious shortage of services provided by school social workers.

Deputy President, to assist young people in their development on all fronts, slogan-shouting and an aimless injection of \$100 million or \$200 million will not suffice, we really have to understand the situation of our young people and inject our resources to achieve specific purposes (*The buzzer sounded*) ...

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR CHEUNG KWOK-CHE (in Cantonese): Thank you, Deputy President.

MR CHAN KIN-POR (in Cantonese): Deputy President, young people are the future pillars of society. However, young people nowadays encounter many difficulties and challenges in pursuing studies and seeking employment. They have to go through keen competition to enter a university, and it is not easy to

find a good job even after graduation from university. Moving up the social ladder has become a remote target for them.

According to a study, the plight of young people is mainly related to economic development. Like many European countries and the United States, the economic development of Hong Kong has reached a mature stage in which the growth in the number of jobs has slowed and good jobs are becoming harder to get. As young people lack work experience, it is naturally more difficult for them to find jobs. Even if they manage to find one, the salary is generally low, there is no job security and some people even fail to find any job. Therefore, the unemployment rate of young people is higher than the general unemployment rate. As the number of managerial or professional jobs available is limited, some young people may have to take up jobs which require only secondary education level even after they have graduated from university, for example, clerk, salesperson or worker in the service industry. Under such circumstances, young people may feel that their life goals are too remote for them to attain and it is natural that they will hold grievances against the society.

Therefore, I agree that we have to assist young people in their development on all fronts and help them to resolve problems of pursuing studies and seeking employment and even difficulties in life. However, I think priority should be given to providing young people with a good employment prospect. This will resolve the problems at source. Therefore, the amendment which I have proposed urges the Government to enhance Hong Kong's competitiveness and promote economic development, so as to provide young people with more high-quality positions.

I think the economic development of Hong Kong has not only reached a mature stage, but has also entered a stage that we have to rest on our own laurels. Since reunification, Hong Kong has been relying on the financial industry and the real estate sector all along. The logistics industry, which was one of the four major traditional pillar industries of Hong Kong, has been shrinking and not much achievement has been made in the development of the emerging industries. However, Hong Kong is increasingly relying on the economic development of the Mainland. Under such circumstances, not only will young people lose upward mobility opportunities, it is also increasingly difficult for people of Hong Kong to earn a living.

I think our economy needs diversified development. Apart from continuing to promote vigorously the emerging new industries where Hong Kong enjoyed clear advantages, efforts have to be made in encouraging overseas investors to invest in Hong Kong. Therefore, I have proposed to drive the development of headquarters economy in my amendment. By driving the development of headquarters economy, I am referring to implementing concessionary measures to encourage foreign investors to establish regional headquarters or offices in Hong Kong. These international enterprises will create jobs in Hong Kong which involve international trade. Such jobs are challenging and involve international vision, which should be highly attractive to young people.

In fact, Hong Kong has been trying to bring in international investors all along, but compared with our competitors, we are not proactive enough. At present, 7 449 companies have set up their regional headquarters or offices in Hong Kong and they have employed 380 000 staff members. These figures are the highest ever recorded in Hong Kong. However, it should be noted that we have recorded the biggest growth in the number of Mainland investors. I think we have to learn from Singapore and implement more concessionary measures to encourage big international enterprises to invest in Hong Kong so as to promote diversified development in international trade. In fact, if we consider the development of Singapore, we will understand that this is an important direction of development.

According to the official information provided by Singapore, among its investors at present, 26 000 are international companies and many of which are world-class international enterprises. The figures also reflected the reasons for the thriving development of Singapore in recent years. In comparison, there is still room for development in Hong Kong. If we can attract more big international enterprises to invest in Hong Kong, it will create tens of thousands of high-quality positions for our young people. This will surely help young people resolve their problems and bring considerable benefits to the economy of Hong Kong. Certainly, there will be many hurdles in bringing in international investors, but if the Government is determined enough, it will be able to resolve any problem.

Apart from creating job opportunities, I think the Government should also assist young people to start their own business. In the past, starting a business was difficult because the rent was too high. However, as Internet shopping is

becoming more popular, it is now easier for young people to start their own business and they also have a bigger chance to succeed. As Internet shopping has become a new international trend, many information technology companies within and without China have been vigorously opening up business opportunities in Internet shopping which may replace some of the traditional sales channels in the future. In fact, starting an Internet business not only incurs a relatively low cost, the business opportunities offered are also unlimited. It requires knowledge in information technology and is very suitable for young people. Therefore, the Government should consider providing young people with technical support including support in risk management and information on starting a business. It may even provide loans for start-up business to give young people more room for development.

Another important point in my amendment is to urge the Government to attach importance to the balanced development of young people's physical and mental well-being. Young people of the last generation engaged themselves in more activities in their daily lives as information technology had not been extensively developed back then. They might be passionate about sports or they might enjoy singing karaoke with friends or sightseeing. Anyway, they would not "lock themselves up". However, with the emergence of the Internet, spending time on the Internet at home has become a favourite activity of young people nowadays and they are not very interested in ordinary social activities any more. As such, young people are becoming weaker in communicating with others and they tend to over-indulge themselves in the virtual network. In addition, the troubles arising from studies and work have also affected the physical and mental health of young people in recent years. Therefore, apart from work and studies, we should also assist young people to develop a healthy lifestyle.

Personally, I consider sports as the best way to maintain a balanced development of one's physical and mental well-being. Even watching a match in sports will bring a lot of fun. I think the Government should promote sports development and cultivate an interest in sports in young people. For example, the Government can encourage schools and the community to organize more sports competitions or ask schools to offer more training programmes in sports. Furthermore, the Government can also assist sports teams of Hong Kong, whether they are soccer, basketball or volleyball teams, to participate in the more competitive league games held within and without China. Such efforts will help to promote an interest in watching sports games and foster the development of

sports teams. In fact, the Government should organize more recreational and cultural activities to encourage young people to develop various interests. However, I will not speak further on these issues, but will leave them for future discussion.

In particular, I hope the Government would attach importance to the development of young people's physical and mental well-being and one important factor for such development is to teach young people to stay away from drugs. Although the number of cases of drug-taking by young people has decreased in recent years, the efforts made by the community should not be slackened because there is a higher tendency of hidden drug-taking in young people, and they are also taking psychotropic drug which will cause irreversible damage to their physical and mental well-being in the long term. Apart from ruining their own lives, they will use up a lot of resources of society because they have to receive treatment and assistance for the rest of their lives. That will create a heavy burden on society. Therefore, I hope the Action Committee Against Narcotics will continue to strengthen their anti-drug measures and education initiatives in order to protect young people from the harm of drugs.

Apart from the difficulties encountered at work, young people in Hong Kong also have problems in pursuing studies, including the problem concerning sub-degree. As the number of articulation places is insufficient, only about 20% of sub-degree holders can gain admission to degree programmes. In other words, 80% of sub-degree graduates cannot pursue further studies. As we all know, the salary offered to sub-degree holders is very similar to that offered to secondary school graduates. However, the exorbitant fees charged for sub-degree programmes is a cause of perplexity for students and their parents. Hence, the Government needs to review the entire policy on sub-degree education. On the one hand, the number of articulation places has to be increased, and on the other hand, the quality of sub-degree graduates has to be improved so as to enhance their recognition by society.

Lastly, I think the Government should make efforts to enhance the social status and image of construction and technical personnel to attract young people to join the industry. In a society, there are certainly some young people who are not interested in studies. Acquiring a skill will provide better prospect for these young people. However, society in general has a negative impression of blue-collar workers and so young people are unwilling to join the trade. Recently, the MTR Corporation Limited has put up an advertisement which

describes the thoughts of a woman technician. The advertisement has been well-received and has changed people's perception of technicians. In recent years, efforts have indeed been put in Hong Kong to improve the working conditions of construction workers and gradually enhance the image of technical personnel. Besides, as the wage of these occupations have increased, young people have been attracted to take up these jobs recently. I think the Government should continue with its efforts in this area, so as to attract young people to join these occupations and open up more job opportunities for them.

I so submit.

DR HELENA WONG (in Cantonese): Deputy President, the amendment I propose today mainly focuses on higher and university education, including postgraduate and undergraduate programmes.

Deputy President, if we want young people to have a better development in future, it is indispensable to provide them with sufficient higher education opportunities. However, Hong Kong's investment in higher education is embarrassingly small. Actually, we have injected quite a lot of money into education. Compared with neighbouring Singapore, the total expenditure of the Hong Kong Government on education is \$77.8 billion, while that of Singapore is \$66.4 billion. On the surface, we have invested more in education than Singapore.

We can also look at the Government's expenditure on education in terms of its share in GDP. In this respect, Hong Kong does not fall behind Singapore. Its expenditure on education accounts for 3.8% of GDP, while Singapore's expenditure accounts for 3% of its GDP only. Deputy President, if we merely look at these figures, we will think that Hong Kong fares quite well in terms of education. However, the situation is different if we focus on higher education. Of the Government's total expenditure on education, how much is spent on higher education? In Hong Kong, higher education constitutes 27.5% of the total expenditure. As for Singapore, what is the share of higher education in the total expenditure on education? It is 36%. By looking at this percentage, we will discover a problem: Hong Kong seems to be slightly behind Singapore in terms of the resources allocated to higher education and in terms of its emphasis on higher education.

This morning, I heard the Secretary for Education Mr Eddie NG say that the Government hoped to enable approximately 30% of secondary graduates to receive tertiary education in future. I hope the Secretary can confirm this objective. However, the Secretary did not state clearly whether these 30% of secondary graduates — if the goal is achieved — will be subsidized by the Government or whether they have to pay for themselves. That is why this issue is rather complicated.

Deputy President, I made the comparison between Hong Kong and Singapore just now. Actually, in this Council, we have repeatedly raised this issue. According to the latest figures, the number of students who qualified for university entrance through the Hong Kong Diploma of Secondary Education examination was 28 000 last year. But what is the number of subsidized tertiary places offered by the Government through the eight universities? Leaving aside the double cohort situation, there are only some 16 000 places on average. If 28 000 secondary graduates qualify for university entrance, but there are only 16 000 places for undergraduate degrees in the various universities subsidized by the Government, what would happen to the remaining 12 000 students? Some 2 000 students will enroll in associate degree or higher diploma courses subsidized by the Government. But no matter how you do the math, there are still some 10 000 students who qualify for university entrance, but the Government cannot offer enough subsidized places to them. Of course, there are also some students with poorer academic results who cannot qualify for university entrance.

The trend we are seeing now is that young people who fail to enter a government-subsidized university will try to continue their education, whether out of their own wish or out of their parents' wish. They do not want to terminate their education after graduating from secondary school. What will be the fate of these people in the end? The majority of them will enter the self-financing tertiary institutions. Each year, more than 10 000 students who fall short of the requirements enter these institutions. Let us not talk about the students whose academic results fall short of the requirements for the time being. Let us talk about the students who meet the requirements. How should the Government help these young people? Do we have the means to do better? If we look at other countries, including Europe and the United States, how many of their students can obtain subsidized places? In Europe and the United States, more than 50% of students can obtain subsidized places. In Japan, nearly 50% of students can do so. Even in Singapore which only has three universities, the

percentage is 25%. Compared with them, Hong Kong is relatively backward. If the Secretary said that the aim is for 30% of secondary graduates to receive higher education, I hope he was referring to students obtaining subsidized places at tertiary institutions, rather than self-financing their studies.

(THE PRESIDENT resumed the Chair)

President, I have seen many cases where students have to enroll in courses offered by self-financing tertiary institutions. That is why the amendment I propose — actually it is also mentioned in the original motion proposed by Dr CHIANG Lai-wan — urges the Government to increase the number of subsidized places in tertiary institutions. This is the best solution to the problem. In addition, we hope the Administration will increase the progression pathways for associate degree graduates. We will certainly support the Government in increasing the number of places of top-up degree programmes for associate degree graduates. The second point of my amendment suggests that the Government should consider setting up scholarships for associate degree graduates with good academic results — of course, if they prefer to pursue further studies locally, they can choose the top-up programmes; with this sum of money and the support of their family, they can go overseas to finish the remaining two years of the degree programme. This way, these young people will be able to broaden their horizons and be given more choices for their future.

President, what we are saying is that there are people in Hong Kong who qualify for university entrance but who are not getting any subsidy from the Government. They enroll in associate degree programmes or programmes offered by the self-financing tertiary institutions, some of which charge very high tuition fees. If the programmes are offered by the eight universities, the tuition fees for undergraduates may be \$40,000 to \$50,000 a year, but the tuition fees of programmes at the self-financing tertiary institutions may be \$50,000, \$60,000, \$70,000 or even \$110,000. Some students told me recently that some programmes at Tung Wah College charge as much as \$110,000 a year.

How come the Government gives "zero subsidy" to these students qualified for university entrance, or only provides indirect subsidy or grants and loans for the institutions? Do we have the means to do a little better? That is why I propose a voucher scheme in my amendment to help secondary graduates with

outstanding academic results and who qualify for university entrance, but fail to obtain a subsidized place. At present, the Government gives them "zero subsidy". Is it possible to help them with education vouchers so that they can enroll in private universities, local self-financing tertiary institutions or overseas universities recognized by the Government? These are all ways to help local young people in their development.

The fourth point of my amendment concerns the students enrolling in research postgraduate programmes. I hope the Administration can review the mode of subsidy. At present, no differentiation is made between non-local and local graduate students. Not only is there no upper limit for their admission, the mode of subsidy also appears to be the same. The scholarships provided are basically enough to cover the tuitions fees as well as living expenses. However, non-local graduate students account for more than 75% of the total number. If our funds are so scarce, how come we spend the money so generously on helping non-local students enroll in local graduate schools? Not only is there no upper limit for their admission (*The buzzer sounded*) ... even the mode of subsidy is the same.

PRESIDENT (in Cantonese): Dr WONG, your speaking time is up.

DR HELENA WONG (in Cantonese): Will the Secretary please respond to this later on?

MR MICHAEL TIEN (in Cantonese): President, I thank Dr CHIANG Lai-wan for proposing this motion today which draws attention to the development of young people on all fronts. Young people are the future pillars of our society. That is why it is certainly worthwhile for the Government to allocate resources to invest in them. Last year, in connection with the motion moved by Mr CHAN Hak-kan, I also made suggestions to help the young. Today, my amendment focuses on helping the development of young people by "nurturing the top talent and helping those at the bottom" through the creative industry and education.

First, let me talk about "helping those at the bottom". I am particularly concerned about "doubly disadvantaged" young people growing up in low-income families and who get poor examination results. It is most difficult

for this group to achieve upward mobility. If society does not help them, they could easily enter a poverty cycle. They cannot even stand on their own, much less move upward. With Hong Kong society undergoing a knowledge transformation, these "doubly disadvantaged" young people can easily become habitual losers who give up trying.

According to the figures of the Census and Statistics Department, the unemployment rate of young people aged 15 to 19 last year was 17.2%, while that of young people aged 20 to 29 was 6.1%. The high unemployment rate among young age groups poses a very serious problem. Although there are no official figures, I believe that a significant number of young people in Hong Kong are from low-income families.

"Knowledge can change your fate". This is an old saying. However, in order to help these "doubly disadvantaged" young people to shake off poverty, education is not enough. As I have noted, many young people with low academic scores have other abilities — I describe them as "having low scores but great talent" — such as creativity. Once you discover and nurture their talent, there is no limit to their potential for development. It is certainly better than having "high scores but mediocre talent". There are many among them who are clever, but they are not interested in traditional learning. Rebellious young people are often very creative. It is not derogatory at all to describe them as having "low scores but great talent". Society and the Government should concentrate on nurturing their "great talent", and face the fact that many young people get "low scores" at school.

The creativity I am talking about covers a broad spectrum. All inventions from the cameras on Jade Rabbit Rover to Bitcoin and the Snapchat application can be seen as part of the creative industry. However, not only do we need high-end technological development, some traditional low-technology creative industries, such as cultural industries like film, animation and comics as well as music, are also equally important. The Lunar New Year is around the corner. At the Lunar New Year fairs, the merchandize sold at the stalls brings us pleasant surprises each year, be they objects mocking the Government or innovative New Year products, they all represent the creativity of young people.

The New People's Party (NPP) has always placed importance on the creative industry. However, at present, the CreateHK agency comes under the Commerce and Economic Development Bureau, and fails to provide enough

support to promote the creative industry. The NPP suggests that an advisory committee on creative industry should be set up under the direct leadership of the Financial Secretary. It also proposes to substantially upgrade the level of the CreateHK agency, so that it will be directly answerable to the Financial Secretary.

Let me give an example on the very short film market that I have talked about before. I will talk about it again today. Nowadays, young people love making short films. The most popular short film last year was "All his life, a man is just looking for a woman who does not mind dining at McDonald's with him", which got 1.7 million hits on the Internet. One in four Hong Kong people has seen this short film on average. Its propaganda value is astonishing. The director and cast of this short film are all senior high or university students.

This is a real-life example. Short films have neither special effects nor big stars. They do not need high technology to be creative, and their budget can be very low. I am sure young people in Hong Kong can produce them. As I understand, two or three young people only need about \$30,000 to make a three-minute short film. If they have to promote the short film online, such as placing an online commercial, they may need another \$30,000. So it would be \$60,000 in total. By comparison, a 30-second commercial spot on prime time TV would cost \$90,000.

If the Government promotes the creative industry, it can kill two birds with one stone, providing young people with upward mobility opportunities, as well as creating a huge business opportunity in the form of innovative advertising. Unfortunately, the Government does not try to promote the market of the creative industry or train talent in this area. Nor does it try to sell this new idea to advertising clients, so that advertising companies have no opportunity to hook up with the short filmmakers and work together. Actually, the Government can play a role in this.

Society has always neglected these creative young people who are not good at conventional academic subjects. Actually, the Government should help them in a targeted manner. If the Government does not support them today and provide them with upward mobility opportunities, they will very likely remain "doubly disadvantaged" young people, who will become "doubly disadvantaged" middle-aged people. Young people with "low scores but great talent" can certainly become qualified personnel with "high scores and great talent" in the workplace. Maybe they only lack a suitable stage to develop.

To deal with the problems of young people, we need to "nurture the top talent" in addition to "helping those at the bottom". I hope we can enhance higher education for top students. The second main point of my amendment is to introduce a local talent scheme. Regional competitiveness often depends on the number and quality of top talent one has. Nurturing local talent is an important investment for the future. The Government must strengthen its support for local talent, so that top students have the opportunity to enroll in excellent programmes, as well as programmes in different academic disciplines at outstanding universities all over the world, in order to nurture world-class talent for Hong Kong in the long term.

In its last Budget, the Government proposes to "inject an additional \$480 million into the HKSAR Government Scholarship Fund (GSF) to set up scholarships for outstanding local students to take degree courses or teacher training programmes in prestigious overseas universities". While the proposal is well-meant, the scholarships will only be awarded to 20 students, who must undertake to teach in Hong Kong upon graduation. I think this is only a piecemeal policy.

In my view, the number of scholarships awarded by the Government should at least be increased to 40 a year. The 40 scholarships should be divided into two categories — one category being full scholarships that are need-based, which will fully cover the tuition fees and living expenses. They will provide means-tested students from families straitened for money with the opportunity to study in outstanding overseas universities, after which they will return to Hong Kong to contribute to society. The other half (20) of the scholarships should be half-scholarships which are merit-based, meaning that students with outstanding academic results can apply regardless of their financial circumstances.

To encourage the diversification of talent, the Government should not specify that the scholarships can only be used to train teachers. As the saying goes, "one may distinguish oneself in any trade". The Government should use these 40 scholarships to nurture talent in different disciplines. Special emphasis should be placed on outstanding non-mainstream programmes around the world, such as film art, music, fisheries science, materials science and metallurgy, and even veterinary medicine, so that the resources are distributed among different disciplines. As for which programmes it should place emphasis on, the Government can consult each Policy Bureau each year and find out what kind of talent they think Hong Kong will need in future.

Why should the Government sponsor the study of these non-mainstream subjects overseas? This scheme can help the Government to nurture talent in these areas to tie in with the development of our industries, so that education will be linked to industries. Take fisheries science as an example. There are no such programmes at Hong Kong universities. However, Hong Kong and the Mainland have a strong demand for quality aquatic products. By sponsoring young people wishing to study fisheries science overseas, the Government will be able to introduce the latest aquafarming technology to Hong Kong, and help to develop Hong Kong's primary industry.

I agree that students who are awarded the scholarships must undertake to return to Hong Kong to work upon graduation, for a period at least equivalent to the duration of receiving the scholarships. However, I think that they can return to Hong Kong within three to five years after their graduation, so that they can try to work overseas and broaden their horizons, before bringing back their knowledge and skills to Hong Kong for the sustainable development of these special industries.

On the whole, young people are Hong Kong's hope. How young people fare today will decide Hong Kong's future tomorrow. Whether Hong Kong will have a good or dismal future depends on how society nurtures our young generation.

I so submit.

SECRETARY FOR EDUCATION (in Cantonese): President, I would like to thank Dr CHIANG Lai-wan for her motion on "Assisting young people in their development on all fronts" and the six Members for their amendments to the original motion proposed prior to the meeting.

The Government has always been very concerned about youth development. On the educational front, the document entitled "Learning to Learn — The Way Forward in Curriculum" published by the Curriculum Development Council in 2001 had in fact provided a very clear direction for school curriculum to promote lifelong learning for students. The Government has also launched the New Academic Structure with broad and diversified programmes to promote continuous self-learning and cultivate students' creativity and adaptability.

The Education Bureau has also actively promoted the early preparations for "career and life planning" of all students at schools. Through study and career counselling, students can understand their own strengths, as well as their preference for further studies and employment, and thus map out their way forward. With the "other learning experiences" (such as "job-related experiences") in the senior secondary curriculum, students can grasp the latest information on industries and the job market, thus enabling them to think and plan for their future.

Meanwhile, the Government also strives to provide quality and diversified study pathways with multiple entry and exit points for young people. We expect that over one third of young people in the relevant age cohort will have access to subsidized or self-financed degree programmes by 2015. Taking sub-degree places together, almost 70% of young people in general will have access to post-secondary education. These graduates will contribute to the pool of talent underpinning the future development of Hong Kong. It will also allow everyone to have more room for personal development.

Also, young people can choose to study various continuing education and vocational programmes that suit their abilities and aspirations, so as to meet the needs of society and their personal development. The Labour Department (LD) has also launched the Yi Jin Diploma programme in the 2012-2013 academic year to provide an alternative pathway for Secondary Six school leavers under the New Academic Structure as well as adult learners to obtain a formal qualification for the purposes of employment and further study. The Education Bureau launched in 2008 the Qualifications Framework under which all recognized qualifications are quality assured. It provides accessible articulation pathways to encourage lifelong learning and continuously enhance the quality of Hong Kong's overall working population. Also, every person can capitalize on it to become more professional and well-rounded.

The Government has always been very concerned about young people's employment and development problems. With clear policy targets, the Government has devised a multi-pronged strategy and formulated suitable measures to provide young people with all-round training and employment opportunities via comprehensive training and employment support services. Let me cite one or two examples. To help young people access to the latest labour market information, choose the right job and enhance their employability, the LD has set up two Youth Employment Resource Centres called "Youth Employment

Start" to provide one-stop, personalized employment and self-employment support services. This is one of such examples.

Apart from that, the LD has also launched the Youth Employment and Training Programme which provides both pre-employment and on-the-job training. Its pre-employment training can help young people better understand themselves and their work aptitudes, learn about the situations and requirements of different industries or occupations, while enriching their job skills and experience, so as to enhance employability. Participating employers will provide young people on-the-job training opportunities in different industries. Other measures include apprenticeship schemes and the Continuing Education Fund.

President, I will give a comprehensive response to Members' specific opinions after listening to all their remarks.

I so submit. Thank you, President.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, youth affairs is an important policy area of the SAR Government. The Home Affairs Bureau has set up the Commission on Youth (CoY) which offers opinions on matters relating to youth development and helps the Government formulate plans regarding youth development in Hong Kong and promote relevant activities.

The youth work of the Home Affairs Bureau focuses on youth development. Its work includes promoting positive values among young people, widening their exposure, encouraging them to develop their potentials and participate in social affairs. We hope to cultivate a new generation of young people with vision, creativity, leadership and commitment to shine at different positions in our future society.

We advocate concerted efforts by all sectors of society to care for the development of young people. Many community groups and non-governmental organizations have always zealously participated in youth work. With a wealth of experience and a wide network, they can effectively help the Government take forward the youth work. The Home Affairs Bureau has all along collaborated with different organizations to provide various activities for young people's participation outside the classroom, so that they can have an all-round and healthy

development, both mentally and physically. For example, we provide subvention to more than 10 youth uniformed groups every year, so that they can have more resources to organize various trainings and activities for young people, with a view to building up their confidence, as well as developing a team spirit and positive values. After participating in the activities of uniformed groups, many young people become more self-disciplined and responsible. They can face different challenges with a positive attitude. In 2013-2014, the Home Affairs Bureau provides \$54 million of recurrent subvention to these groups, benefiting a total of 130 000 young people.

Our Youth Programme Co-ordinating Committee also subsidizes district youth programmes, which cover areas like arts and culture, recreation and sports, as well as volunteer services. By participating in these physically and mentally healthy activities, young people can develop themselves after school and explore their interests and abilities in different areas. The Home Affairs Bureau and the CoY also sponsor young people to join internship and exchange programmes on the Mainland and in overseas countries every year, so that they can widen their exposure, equip themselves and develop their potential. These activities have been well received by young people. In 2013-2014, the Home Affairs Bureau provides over \$27 million worth of sponsorship for various internship and exchange programmes on the Mainland and in overseas countries, benefiting more than 9 600 people.

In recent years, the CoY has vigorously advocated the concept of multiple excellence to guide young people to be more open-minded about their study and career choices. While subsidizing relevant organizations to provide study and career counselling services to young students, we also provide support for young people with different family backgrounds to let them have equal opportunities for development. Some of our subsidized non-governmental organizations have designed different kinds of activities to provide young people with study and career information and help them identify their development opportunities, so that young people can set a target for themselves at an earlier time.

We actively support young people's development in sports. The Leisure and Cultural Services Department (LCSD) has launched the School Sports Programme in collaboration with primary, secondary and special schools to provide various sports activities for students, so as to cultivate their interest in sports activities and identify students with potential to receive higher-level training. In 2013, 90% of schools joined this programme and about 610 000

students took part in relevant activities. The LCSD has also launched the Enhanced Feeder System Scheme to help national sports associations identify young potential athletes at an early stage. In 2013-2014, the funding for this scheme is approximately \$16.8 million, which covers areas like beginner-level training, intermediate-level training, sport promotion at schools, as well as training of district teams and junior squads. In 2012-2013, a total of 9 400 young athletes joined the relevant scheme. As we all know, the Hong Kong Sports Institute provides all-round support for elite sport and athletes. It is now making further enhancement to develop a feasible system for young people to strike a balance between sport and academic work.

We also actively nurture young artists by allocating resources to implement a number of programmes, and providing local and overseas arts training subsidies and internship opportunities. For example, the LCSD has launched trainee programmes for arts administrators since 2010; the Hong Kong Arts Development Council (HKADC) has also conducted Internship Schemes and the Cultural Internship Scheme.

The HKADC's Arts Space Project reserves some studios for budding visual and media artists to rent at a concessionary rate. The Government also encourages the development of cultural facilities in support of artistic endeavours by community organizations. For example, the Jockey Club Creative Arts Centre allows graduate artists to rent the units there at a concessionary rate. After the completion of the West Kowloon Cultural District project, young artists will have more opportunities to develop their expertise.

We encourage young people to participate in public affairs and serve the community. Many youth groups supported by the Government encourage young people to care for the community. We have duly appointed young members to various advisory bodies. Also, we have organized youth summits to let young people to exchange their views on issues of concern with the Chief Executive and principal government officials. From time to time, the CoY also holds youth exchange sessions to let government officials or persons-in-charge of organizations to have dialogues with young people. Last year, 15 such exchange sessions were held to discuss issues including youth employment, Diploma of Secondary Education, the Long Term Housing Strategy and solid waste disposal.

The Home Affairs Bureau has launched the Service Corps Programme since 2011 to subsidize young people to serve in underprivileged areas in the

Mainland so as to develop their tenacity. Since the inception of the programme, committed participants include senior secondary school graduates, university students and working youth. They temporarily left behind their studies or works in Hong Kong and went to the mountainous regions of Guangdong province to render volunteer service for one or half a year. Their performance was highly praised by the local residents there.

The Government also provides recurrent subvention to the Agency for Volunteer Service (AVS). The AVS has launched the 4C Youth Volunteer Leadership Project since 2009. It focuses on the development of "Confidence, Courage, Care and Commitment" to help young people develop a sound moral character and a sense of good citizenship to achieve whole-person development. The project assists schools to form a core volunteer team for students to care more about the community they live in. In 2012-2013, it assisted 13 schools to form a total of 16 youth volunteer teams. Over the past year, these volunteer teams mobilized over 1 000 students to take part in more than 100 volunteer service projects, serving over 15 000 hours.

President, the above is a brief description of some of the Home Affairs Bureau's work in youth development. I will make a response again after listening to Members' speeches.

Thank you, President.

MR RONNY TONG (in Cantonese): President, let me share with Members two true stories from my personal experience. Here is the first story. As you all know, I am passionate about playing golf. I started teaching my son to play golf when he was 10 years old, and we would sometimes play against each other. In fact, he always beat me by the time when he was just 12 or 13, and I would bring him along whenever I played golf. But when he turned 18, he told me one day that he would never play golf with me again. I asked him why, and he said that he had no choice when he was small, but as a grown-up, he could now make the choice of not playing golf ever again.

The second story happened on Christmas Eve in the Legislative Council. I was asked by a reporter to answer three questions. After going through the questions, I could only answer one of them, and I got the right answer by sheer luck. As I could not answer the other two questions, I felt quite ashamed. Last

night, I happened to watch the news on television and saw that the President did not fare much better than I did. Although the President is a mathematics expert, he could not answer those questions either. However, it turns out that those questions are only meant for kindergarten students. President, do you still recall that occasion? Yes, the President is smiling. He remembers it. President, I was really puzzled after watching that news report. Are Hong Kong people particularly smart? Why do we force our children learn about questions that even the President cannot answer? And mind you, those are just toddlers around the age of three or four. Are we the only people doing this in the world?

President, incidentally, I was told by someone today that I should make reference to the case of Germany because it is clearly stipulated in Article 7(6) of the German Constitution that pre-school education is unconstitutional. Moreover, if we take a look at the list of Nobel laureates, half of them are Germans. In other words, they are particularly smart. That has left a big question mark in my mind. I do not know if the Secretary has any knowledge in this matter, or perhaps it is just another general knowledge or liberal studies question for kindergarten students. But why is it the case? According to experts, if small kids are made to do something against their wish — just like what I did to my son, which I now know is wrong — they will become rebellious and develop a sense of repulsion as they grow up. That is exactly the case of my son who is now fed up with playing golf. The same goes for studying. According to experts, we should not stuff the minds of toddlers with different knowledge, such as mathematics, in the hope of turning them into geniuses; instead, they should be encouraged to develop their creativity, play outdoors, make friends and enjoy their childhood. Only then can they have a holistic and healthy growth and development.

President, I have also asked myself whether it is because we have been treating children of our next generation in such a way that so many students in Hong Kong (including primary and secondary students) have committed suicide, or become drug addicts or members of triad societies? Do we have any responsibility at all? President, as I have been told by many people including some educational experts, I am also convinced that if small kids are not allowed to use their imagination or do what they like, they will not only develop a sense of repulsion against the things forced upon them by the adults, but more importantly, they will lose their self-confidence and grow up more or less like a robot which is incapable of independent thinking. President, I note that this is the problem with many young people today. I do not know if they had any

similar experience in their childhood when attending kindergarten. But I can tell Members that fortunately, I did not attend kindergarten when I was small as my family was poor and could not afford the tuition fees. Yet, I can stand here today — perhaps exactly because I had not attended kindergarten.

President, many people who watched yesterday's programme with your interview that I had uploaded onto the Internet also questioned why such things could happen in Hong Kong, and why the SAR Government could do nothing about it. I think the Secretary would also readily confirm that he can really do nothing about it as he only has control over subsidized schools. He can control those kindergartens which have joined the Pre-primary Education Voucher Scheme, but even such control has not been effective. As for other kindergartens, there is absolutely no control at all, let alone any effective supervision. That is why we end up with this dismal education system now. Under this system, even if the students have not committed suicide or become drug addicts or members of triad societies, they have no chance of receiving university education if they are the grassroots or ethnic minorities.

President, our society lacks upward mobility. As Hong Kong is such an affluent, civilized and open society, why do we have such a dismal political system — pardon me, I should have said "education system" instead of "political system"; I am too preoccupied with the subject of universal suffrage lately — why do we have such a dismal education system and such dismal education policies? I hope the two Secretaries will stop smirking. President, I am not talking about any laughing matter here, even though the two stories I just told are quite laughable, but just pathetically so. If we are still not resolved to improving the system, Hong Kong will be doomed.

MR ANDREW LEUNG (in Cantonese): President, at our meeting with the Chief Executive to discuss the Policy Address, the Business and Professionals Alliance for Hong Kong (BPA) presented a paper along the theme of creativity, upward mobility and Hong Kong's future, with the title of "創意·上游·香港未來!". It demonstrates the grave concern of the BPA about the development of young people in Hong Kong in the future. One of the challenges we presented to the Government and the Chief Executive was whether they had the courage to pledge that Hong Kong's middle-class population would double in a decade's time. At present, the middle-class people only account for 20% to 30% of the overall population in Hong Kong, while the ratio in comparable economies is 50% or

more on average, and the ratio in South Korea is even as high as 57%. If the Government can focus on the target of doubling the middle-class population, it will actually result in many education and support measures that facilitate upward mobility of young people through the creation of additional opportunities.

We also suggest that the Government should provide subsidies to people aged below 40, so that they can study courses, free of charge, for attainment of qualifications up to Level 3 of the Qualifications Framework (QF). Given the objective of skills enhancement, this measure can complement our population policy. Moreover, we suggest that the Government should consider whether a scholarship programme like the Rhodes Scholarships in the United Kingdom could be set up. As Mr Michael TIEN said just now, such a programme can help young talents blossom into the cream of the crop, and the scholarship will lead them to a bright future because such talents are most sought after by large corporations. These are the suggestions we made to the Government.

Nevertheless, Members who read the newspapers today would know that the Chief Executive attended a tea gathering hosted by the Vocational Training Council (VTC) in Pokfulam yesterday to celebrate Hong Kong's win in international culinary competitions. President, you may recall that you had also tasted their cuisine before. In November last year, two teams of chefs from Hong Kong participated in the Salon Culinaire Mondial in Basel, Switzerland, and the International Young Chef Challenge respectively. President, if you can still recall, the cuisine served at the gala dinner of the Hong Kong Wine and Dine Festival which you attended previously was prepared by the first team of chefs, that is, the winning team of the Salon Culinaire Mondial I just mentioned. It is wonderful that these two teams have become world champions because most members in these two teams are VTC graduates. Hence, the first point I would like to raise is that all roads lead to Rome, and studying in traditional universities is not the only way out. While it is common for parents to wish that their children can study in universities for they believe that knowledge can change one's fate, not all students or young people are cut out for a conventional university education, and vocational education is actually a very good alternative. We hope that in the future, the Government can work harder in optimizing vocational education and the QF, so as to maintain a diversified education system in Hong Kong by providing more choices for young people.

When I was Chairman of the VTC, I had visited countries in Europe to study their education systems. In fact, I was most impressed by vocational

education in Germany and Switzerland. In 2012, the *per capita* GDP of these two European countries — one big and one small — was among the top in Europe, at US\$41,863 and US\$78,925 respectively. Both countries attach great importance to vocational education. Just now, Mr Ronny TONG pointed out that pre-school education is unconstitutional in Germany. In fact, it is by enhancing young people's skills and productivity that these two countries manage to keep their youth unemployment rates lower than their counterparts in Europe. As the *modus operandi* of the vocational education systems of the two places have already been discussed by the Council previously, I am not going to repeat it. However, I would like to tell the Secretary that under the apprenticeship system in Switzerland, employment in corporations goes hand in hand with education at schools. This dual education system has also been adopted in places like the United Kingdom and Taiwan in recent years. In Germany, the system of youth employment support is a collaboration among the Government, the community and the schools. Apart from the learning of skills and knowledge, young people can also obtain other support services, such as market trend analysis as well as the latest development of particular trades, guidance in respect of accurate self-understanding and self-evaluation, assistance in proper positioning and identifying clear career choices and targets, and so on. At the same time, students will also be informed about the pay trends of the trades, so that they can give a realistic figure for expected salary. Moreover, students can learn about interview and negotiation skills, so that they would be fully prepared before entering the job market to embark on their chosen career.

As we can see, business models in Hong Kong or even around the world have been changing in recent years. According to one survey, among the four places across the straits, young people in Guangzhou, or 55% of the respondents, have a relatively stronger desire for business start-up, to be followed by Taiwan and Macao, with Hong Kong coming in last at only 34.1%. As we know, considerable support from the government is provided to young people in Guangzhou and Taiwan in terms of policy steer for business start-up, capital, training and guidance, government vetting and approval, as well as tax concession. In particular, I would like to mention the business start-up support scheme in Taiwan. While the scheme is operated by non-governmental organizations, publicity, promotion and referral services are co-ordinated by the Small and Medium Enterprise Administration under the Ministry of Economic Affairs of the Taiwan Government. All these measures can actually help young people. In this regard, we suggest that the Government should allocate \$2 billion to set up a young entrepreneur parks fund to provide low-interest loans

and start-up capital for young people. All these policies can help young people start up their own business and climb up the social ladder.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, I speak to express my views on the problem of youth unemployment and support Mr KWOK Wai-keung's amendment. President, let us take a look at the situation over the past nine years from 2004 to 2012. Why those nine years? Because I do not have the latest figure for 2013. Over those nine years, the unemployment rate of young people aged 15 to 19 ranged from the highest at 26% to the lowest at 13.9%. Throughout the period, youth unemployment rate remained at double-digit level, at an average of 19.76%. Among the unemployment rates of different age groups, youth unemployment rate has all along been on the high side, which is indeed very alarming. President, every year, a total of 150 000 people will enter the labour market, among them, over 100 000 are senior secondary graduates, 25 000 post-secondary graduates, and 30 000 sub-degree graduates. Can our society provide them with job opportunities accordingly? This is really a major problem.

First, let us consider the Government's economic policy. All along, the Hong Kong Federation of Trade Unions has strongly maintained that the Government should formulate an employment-led economic policy with specific and dedicated resource allocation and measures in order to create diversified pathways open to young people. However, Hong Kong's economic development is relying too much on the four pillar industries, that is, financial services, trading and logistics, tourism and producer services, with financial services industries playing a dominant role. What about other industries? Has the Government strived to promote their development?

As we see, the Government is all empty talk without action. For example, the Government proposed the promotion of the six industries with competitive edges in 2009. I do not know if Members can still recall the six industries. Where have these six industries gone now? These six industries are, namely, testing and certification services, medical services, innovation and technology, cultural and creative industries, environmental industries, and education services. Has the Government allocated any concrete resources, provided any specific policy support, or formulated any substantial measures for these six industries? If it has, can the Government tell us how many jobs or business start-up

opportunities have thus been created over the past five years? Can the Government provide us with those figures? So far, I have not received any specific information in this regard. I hope that the two Secretaries can give us a concrete response when they speak in the final reply later.

Separately, with the implementation of many major public transport infrastructure projects in recent years, there is a great demand for medium and high-skilled construction workers. Nonetheless, as the previous Governments and the industry have neither formulated any forward-looking manpower policy nor made any concrete and substantial resource allocation on the training of workers, there is now a succession gap in the construction industry. Without any concrete input, how can there be an upsurge of talents? Hence, some major businessmen have proposed the expansion of labour importation in order to cope with the urgent need. But as far as we are concerned, it is an utterly irresponsible suggestion, tantamount to drinking poison to quench thirst.

We also consider that it is now high time for an overhaul of our education system, so that it can genuinely achieve the objective of nurturing and developing talents. Under the existing selection mechanism, selection is made through elimination, and senior secondary graduates are only left with the option of university education for they consider that no other pathways can give them a bright future. It is also quite disturbing and unhealthy for students to take the view that the development prospect of arts graduates is better than science and technology graduates.

Therefore, I hope that the Government will consider incorporating four elements in its reform. The first is introducing vocational education courses on technical skills needed in society. The second is allowing students to choose their way forward on the basis of their own interests and talents, while providing pathways of pre-employment, prevocational studies, and so on, to accommodate their choices. In addition, I also hope that teachers can suitably identify the potentials of students and encourage them to plan for their future accordingly, so that the reform can proceed through a multi-pronged approach. Lastly, it is also very important for the community, families and students to change their perception on education. We should not hold the view that people without a university education are inferior or unsuccessful, which is discriminatory. Is a person without any future or prospects just because he does not or cannot attend university? In fact, I think the community should also (*The buzzer sounded*) ...

PRESIDENT (in Cantonese): Mr WONG, your speaking time is up.

MR WONG KWOK-HING (in Cantonese): ... change this negative view.

MR WU CHI-WAI (in Cantonese): President, today's topic is "Assisting young people in their development on all fronts". I would like to express my views on two areas, that is, young people's housing needs and career choice.

Nowadays, it is just a pipe dream for most young people to become property owners on their own, without any help from their parents. Even just seeking to have a roof over their heads is also very difficult. Judging by the latest data of the average property price per square foot in all districts, young people can hardly afford to buy private flats with their salaries. Based on the median monthly household income of about \$20,800, if a person wants to buy a flat with saleable area of 300 sq ft, it takes 7.6 years of his income to buy a flat in Yuen Long where the property price to income ratio is the lowest. In other words, a person has to save up eight years of income, without eating and spending, to buy a flat. The situation is more serious in the urban areas. For example, in Wong Tai Sin, the property price to income ratio is 12.4 years, and the highest ratio is 20 years in the Central and Western District. Let us take a look at another set of data. If the down payment is set at 30% of the property price, the average down payment for a flat in Yuen Long is \$570,000, \$960,000 in Wong Tai Sin and \$1.5 million in the Central and Western District.

These figures show that young people can hardly afford to have a shelter over their heads with their income. When housing is a problem, how can we encourage young people to pursue their aspirations and develop their careers based on their interests? However, let us take a look at how the Government considers this problem. The Government thinks that educated young people who wait for public rental housing (PRH) have to subject to the priority list. Today, young people waiting for PRH have to be governed by the Quota and Points System for non-elderly one-person applicants. As a result, even if they wait for 10 or 20 years, they will still not be allocated a PRH unit.

When young people want to apply for PRH, time is their enemy; when they want to buy private housing, property price is their enemy. How can we resolve the housing problem of young people? Young people may clash with their

family members in respect of their thinking and living habits. If they live with their families, many disputes will arise. However, the Government still sticks to the old policy when considering the home purchase or housing needs of young people, excluding their needs from the normal supply to be provided by the Government. This is simply putting the cart before the horse, failing to provide a platform and allow room for the long-term development of young people.

Furthermore, let us consider the employment of young people. As reported in the media today, a university graduate majoring in finance has given up an office job and work as a bar bender, earning a monthly salary of \$30,000 at present. However, his father indicated in the interview that he originally wished that his son would take up a respectable white-collar job as a banker since he studied finance in university. In fact, figures from the Construction Industry Council also showed that only 30% of workers are aged below 40.

We cannot help but ask why there are so few choices in the community. Why young people are only attracted to certain trades? First, the overall cultural background of our society is certainly a contributing factor. The community's expectation regarding career and social status has actually exerted a lot of pressure on young people. Second, the prospects of different trades. Parents are greatly worried that their children have made a wrong choice in joining a trade that has bleak prospects. According to past experiences, the construction industry is very volatile. Workers either die of overwork at one time and no work at another. Under such circumstances, how can young people think that the industry has promising prospects? In fact, the same applies to other industries and we have similar observations.

Of course, our education system should bear the heaviest responsibility for this problem. Under the existing education system, school curricula have become increasingly identical. All students want to pursue further studies. If they fail to do so, most of them would join such industries as retail, security and catering. Years ago, apart from secondary grammar schools, there were many prevocational schools and secondary technical schools, and even universities offered many career-oriented courses. Nevertheless, people today are only concerned about getting certificates. Students who got the certificates have higher expectation after graduation. While a graduate is unfit for a higher post, he is unwilling to take up a lower one. This has very often become an obstacle for young people's career development.

Has the Government provided support to trades engage in creativity work? For example, in view of the creativity of young people, how much effort has the Government made in boosting the creative industry? Apart from working as doctors, lawyers or engineers or in the financial sector, is there some other way out for young people? Will our society provide enough space and platform for young people to start up a business? Yet, in view of the high rents, there are immense difficulties and resistance for many young people who wish to start up their own business.

Therefore, I think the Government should "walk on two legs" in addressing the relevant problems. First, it should tackle the housing difficulties to give young people hope. For young people, having a roof over their heads should not be a pipe dream but an issue that should be addressed squarely by the Government in formulating its policies. The Government has stated in the Long Term Housing Strategy consultative document that the ratio between PRH and subsidized sale flats should be 6:4, and the housing aspirations of the younger generation should be addressed by leveraging on the private sector capacity. I think it is just talking nonsense or telling lies. I hope the Government would address squarely the relevant problems to help young people start anew after home purchase (*The buzzer sounded*) ...

PRESIDENT (in Cantonese): Mr WU, your speaking time is up.

MR WU CHI-WAI (in Cantonese): Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): President, Mr Kenneth LEUNG has talked about "career and life planning" just now. He believes that "career and life planning" should be made by young people themselves or their parents. Today, I do not want to focus on talking about young people who come from well-off families with parents helping and guiding them step by step in making "career and life planning". Instead, I would like to particularly talk about the development opportunities of those young people with poor family background and have no one to support or guide them in making proper "career and life planning".

I agree with what Mr WONG Kwok-hing said just now. At present, Hong Kong does not only have problems in respect of the education system or housing, there is also the problem that the community generally considers that white-collar jobs are definitely better than blue-collar ones. Therefore, as far as development opportunities are concerned, if one fails to climb up the ladder in the white-collar world, he is considered a failure.

President, I remember that I wrote an article for my column a few years ago about a young man who had impressed me deeply. The young man, WONG Kwai-heung, ended his own life at the age of 16. His mother was mentally retarded; his father died of cancer when he was 13 years old, and he had a six-year-old sister. At that time, the Social Welfare Department wanted to arrange some other people to take care of his sister, but he objected. He was very tough and he decided that he would take care of his sister. Therefore, he dropped out of school and worked as a bakery apprentice. His instructor was happy with his performance and intended to raise his salary, but the young man committed suicide. The young man wanted to improve his mother's living condition, and when he had earned some money, he moved to a rental unit in Sham Shui Po. Perhaps as he got into a debt of \$20,000 during the removal process, he could not get over with that and he ended his life after having some beers with his friends. I felt very sorry for this young man was highly motivated and had a strong fighting spirit. Yet, he did not have anyone around to help him.

President, I remember when I was studying in university, a very successful entrepreneur once told me that selling peanuts could be a successful business. What he meant was that one should not just stay at his job all the time; if he had business sense and was observant, selling peanuts could gradually be developed into a big business. During the holiday that had just passed, I went to Yangzhou and met with a young lady who is a deputy to the National People's Congress. I visited her shop. It turned out that she initially worked as a pedicurist. Even though she is just in her early 40s, she owns more than 10 chain stores. She started by learning from an instructor who was impressed by her good work. Though the lady is not well educated, she has gradually developed her expertise and is doing really well now.

Earlier, two farmers in Panyu established a wild animal zoo. When I visited the zoo with my family members, we could not believe that the zoo was actually owned by two farmers. These farmers hired many well educated people to manage the world-class wild animal zoo. I find that planting is actually an

industry in keen demand today. If we tune into the English television channels, we will find that there is a channel broadcasting many cooking programmes. Many young people like cooking nowadays. I remember that when we proposed at a local District Council the setting up of an international culinary college a few years ago, we did not realize that it would become a trend and a way out.

I teach legal studies, a very popular subject, at the university. However, we have not provided opportunities in Hong Kong for young people to meet their talent scouts. Their talent scouts can be their teachers, supervisors, bosses or friends. For people like me who are in their 40s or 50s, we often learn about the successful stories of our former primary school classmates. Someone who failed the university entrance examination became a jewellery apprentice; another person joined the beauty industry, an industry that was being despised in those days, has now become a boss. In fact, they only focused their work on one industry. They might be humble apprentices years ago, but so long as they stay focused and are willing to think and learn, their observation skills and business sense can pave the way to success. What Hong Kong lacks is a conducive environment that encourages people to pursue development in technical jobs in addition to joining the white-collar world.

I just returned from a visit to Yixing, a place where many people engage in the production of red clay teapots. These teapots have different grades of quality, and many less-educated young people find much job satisfaction in this industry. I learnt that a young man has even given up his accounting job to join this industry. As it turns out, when a person becomes a master of teapots of a certain grade, his incomes are even higher than traditional white-collar workers and even professionals. When delivering a speech at the university, Prof YANG Chen-ning once asked: What matters most for young people? The answer is that they should love their jobs. If a person enjoys his work for 30 years, he will definitely be very successful. In any industry, if a person works attentively for 30 years, he will definitely do a good job. As regards salary and remuneration, it will increase to a level equivalent to or even higher than legal professionals such as lawyers whom are considered to be high-paid professionals.

Hence, I think that the concept of "career and life planning" is excellent and we should provide more assistance to young people. In the past decade, young people in Hong Kong very often lay stress on the inadequacies in our society. Yet, they do not know how to grasp the opportunities around them and start by taking up lower-level jobs. They also fail to handle inter-personal

relationships and seize all opportunities, no matter how small they are, to gain the appreciation of others.

With passive working attitudes, they can only see the heavy rain (*The buzzer sounded*) ...

PRESIDENT (in Cantonese): Dr LEUNG, your speaking time is up.

DR PRISCILLA LEUNG (in Cantonese): ... with positive working attitudes, they can see the rainbow after the heavy rain.

President, I so submit.

MR POON SIU-PING (in Cantonese): President, globalization and information technologies have taken us by storm with a wide-ranging impact on human life. It is especially so for young people. As we live in an ever-changing society, helping young people to grow up healthily and rise to the challenges of our time is not easy. In a society of rapid changes and with an increasingly volatile job market, it is really a huge challenge to help young people make early preparations for their "career and life planning".

In Hong Kong, the younger generation's development has been planned all too much indeed. Most parents have already planned for their children's development since their birth. They would arrange their children to study in a good kindergarten and primary school; arrange their children aged only three or four to attend interviews and take piano and drawing lessons. When children start going to school, they have to attend tuition classes in order to get good results. As university places are inadequate, those who cannot get into university after finishing secondary education may have to go into huge debt to study sub-degree courses, the qualification recognition of which is doubtful. Many young people have been suffocated by the pressure of homework and tuition during their formative years. When they enter society, they are bewildered about their future. While failing to land a high-end job, they are unwilling to make do with low-end ones. Worse still, they may have to repay a huge amount of student loan. This is a portrayal of many young people's lives nowadays.

To assist young people in their development on all fronts, allow them to explore their potentials and understand themselves, so as to build up their own lives, the crux is to relieve young people of their heavy burdens during their developmental stage. The original motion and the amendments proposed today all call for the Government to increase the course types and places of higher education. I think the call cannot exactly hit the nail on the head. At present, there are numerous and varied higher education courses. An obvious case in point is that the tertiary institutions have put in many resources to introduce different sub-degree or master-degree courses to meet the market's needs. Therefore, it is inaccurate to say that the types of higher education courses in Hong Kong are inadequate and the Government should increase them. In fact, what is inadequate in respect of higher education is the number of subsidized degree places. The ratio of local students admitted to subsidized universities has long remained at 18% only. Yet, universities have allocated many resources in cash-cow courses like sub-degree or master-degree courses. I think that the Government should allocate more resources to increase the student intakes of subsidized degree courses. While respecting the autonomy of universities, the Government must review the trend of commercialization of courses offered by universities.

At present, some industries are facing manpower strain. However, the youth unemployment rate remains high. In the third quarter of 2013, the unemployment rate for people aged 20 to 24 was 10.7%, while that for people aged 15 to 19 was 14.9%. In terms of academic qualifications, the unemployment rate for sub-degree holders was the highest, reaching 5.2%. Since the inception of sub-degree courses, they have been plagued with problems, except that statistically, the number of young people who receive tertiary education can be boosted. We should assist young people in their development on all fronts, instead of satisfying the Government's need to "meet quotas" in respect of education policy. While the number of subsidized university places should be increased, it should also be generally recognized in our society that apart from tertiary education, there are various ways in which young people can build a wonderful life of their own.

I suggest the Government review comprehensively the Apprenticeship Scheme and enrich its content, so as to keep pace with the times. It should also enhance the image and quality of the Scheme to encourage young people's participation, so that they can have more career options.

President, everyone wants to have a wonderful life. Yet, the wonderful life pursued by each person is different. To assist young people in their development on all fronts and help them build a wonderful life, what we need most now is not to further increase the burden of young people. Rather, we should give young people more room to choose their way forward. Those are some of my deep feelings as a parent.

President, I so submit.

MR IP KIN-YUEN (in Cantonese): President, while listening to the remarks of Members today, I completely share their feelings, especially that of Mr Ronny TONG. I think that his speech was great. He reflected on his own experience and mentioned that his son no longer play golf after he turned 18. Talking of reflection on experience, if more parents and adults in Hong Kong would reflect on their own experience, I believe our children will have very different developments from what they have now.

Mr Ronny TONG also mentioned Switzerland and Germany just now. The German Constitution bans pre-school education for children. However, kindergarten is well developed in Germany. "Kindergarten" is actually a German word. To find out how advanced the development of kindergarten is in Germany, one can read an article written by Ms LUNG Ying-tai if he is interested in the subject. She is an introspective person. She compared her son's experience in kindergarten in Germany with that of her own in Taiwan, drawing the conclusion that children could have a very fulfilling and happy childhood. Can our kindergarten give our children a happy childhood? Are parents willing to give their children such a childhood? This is something that we need to ask ourselves.

Although the topic of our debate today is "Assisting young people in their development on all fronts", all young people were once children. If young people's development is stifled during their childhood, there is nothing to talk about how to assist them.

Let me go back to today's topic about how to help young people. One very serious problem is that after the implementation of the Hong Kong Diploma of Secondary Education Examination, a phenomenon has emerged in Hong Kong that is rarely seen worldwide, which is most senior secondary students

concentrate all their efforts in preparing for one single examination. The examination, which is very academic-oriented, serves as the gateway for students to enter university, but the trend in society today is that not too many people are academically minded.

Therefore, most regions or countries adopt different modes of teaching in their senior secondary schools to tie in with young people's characters, interests and capabilities, and prepare them for their career after graduation, as well as to meet the diversified needs of society. Speaking of the diversification of young people and society, there is a very serious bottleneck in our current education system, that is, all students are following the same curriculum and focusing on the same examination to compete for university places. However, this system creates lots of losers among us.

I once taught in a secondary school and came in contact with many students. Judging from their abilities, interests and characters, I knew they had great potentials. However, some students failed to adapt to the system. As I once said, there are two types of students who cannot adapt to the existing system. The first type of student is those who cannot catch up with the curriculum. They struggle to stay in school but fail to catch up with the increasingly difficult courses. To them, their final years in school are meaningless, futile and even destructive. The second type of students should develop in realms outside the mainstream academic curriculum, as they have other talents. However, they are trapped in this academic curriculum, bored while their great talents are wasted away.

The reform in the past has failed to overhaul our education system to make it more attuned to the needs of students and society. Of course, the reform was the end product of the joint discussions by many people. I do not mean to blame anyone as I might have participated in it as well. However, at this moment in time, should we examine whether this system should continue in this course? Should we allow some of the students to develop in some other directions?

Let me take Germany as an example again. Germany is famous for providing its students with the new vocational education starting from the senior secondary level; so does Switzerland. The vocational education in Switzerland that Mr Andrew LEUNG just mentioned also has great reference value to us. Can we adopt an education mode that suits students' characters and talents starting from their senior secondary school years and well into the stage of

tertiary education? In fact, the applied learning courses provided by the Vocational Training Council (VTC) now or by higher education institutes in the past are worthy of further development.

Hong Kong is not without these programmes. I would like to point out that apart from the VTC, there are several senior secondary schools established under the new academic structure, including the CCC Kung Lee College, the Caritas Charles Vath College and the HKICC Lee Shau Kee School of Creativity. I think these colleges are all doing the very important work of providing young people with a different pathway, that is, vocational education. Unfortunately, this pathway of vocational education has yet to receive positive assistance and support from the Government. Therefore, I think more efforts should be put in this area.

The Government has recently planned to introduce a training fund for maritime and aviation transport to train up maritime and aviation talents. I think it is a positive attempt, which I hope can really help our young people. If young people can identify their focal point in life on which they can gain gratification, I think it will not only bring happiness to themselves, but also to their family and all those around them. The whole community will thus become harmonious and our children will not have early melancholy, or even end their lives. All these are issues that I hope the education reform will tackle seriously in future. We (*The buzzer sounded*) ...

MR JAMES TIEN (in Cantonese): President, today's original motion and most of the amendments are related to helping young people by providing them with better education or how the Government should assist them. Perhaps because I come from the industrial and business sector, I think this topic is most important to Hong Kong's young people as regards how they should conduct themselves amid the competition in the modern world. I think that the officials to respond to this motion should be the Secretary for Commerce and Economic Development and Secretary for Financial Services and the Treasury. The reason is that from the world's experience in economic development, the most important way to help young people reach up to a better position, apart from helping them to graduate from school, is by creating job opportunities for them.

In the last policy address of the incumbent Government, I find that not much had been said about the economic development, the emphasis was on

public housing construction, poverty alleviation, medical care services and environmental protection. The only economic-related proposal was the setting up of the Financial Services Development Council. Yet, even its name is still being revised. In respect of the economy, the Government is still holding meetings after meetings for studies. According to the global experience in economic development, the easiest way to make development opportunities available to young people is not to offer them assistance frequently, because I worry that after a period of time, young people will become used to depending on society, always thinking about what society can do for them, but not what they can do for themselves.

Although I have not made any statistical analysis, I think nowadays most successful people or entrepreneurs are engaged in the technological and financial industries. This is a global trend. In overseas countries, many people who engage in the real estate industry cannot make much money. Most entrepreneurs have one thing in common, that is, they are eager to play their role properly and be self-reliant, rather than constantly asking society and employers for help, and demanding enterprises to discharge their social responsibility.

Turning back to Hong Kong, in the course of my growing up during the 1960s and 1970s, as the economic development in Hong Kong was at a lower level, it was easier to start up a business. However, by the 1970s and 1980s, the British and American economies were well-developed. With their markets in such a mature state, why were there still opportunities for development in the United Kingdom and the United States during the 1980s and 1990s and even up till the present day? The most successful people of this generation in the United States, be they the founders of Twitter, Facebook, Google or Microsoft, are all engaged in the technological industries. The others are in the financial sector. Both sectors offer great opportunities to start up businesses.

The world is constantly moving forward. We cannot always ask young people to join the booming industries of the time, be it the manufacturing industry in the past, the service industry in the 1980s and 1990s, or whatever industries at present. To train up the younger generation, it is not a good idea to always ask them to follow the trend and receive the training in the most popular industry at the time. The Liberal Party agrees that the Secretary for Education should do more. Yet, even if he does a perfect job in providing a good education for young people, they still have to depend on their own efforts at the end of the day.

To allow them to stand on their own feet, Hong Kong needs to attain a good economic development.

Earlier, several colleagues cited Singapore as an example. I agree very much with them. Singapore's current approach is to offer preferential incentives to attract foreign enterprises to set up companies in Singapore. Without such incentives, why would foreign investors choose Singapore? However, Hong Kong does not follow suit in this regard. Afraid of being accused of transferring benefits, the Government provides neither tax concessions nor inexpensive land. Under such circumstances, foreign investors prefer Singapore over Hong Kong. What benefits will Singapore gain from this? The benefit is that Singapore can have technological exchanges with foreign countries and because of that, Singapore has far outpaced Hong Kong in the development of the technological and financial industries in recent years.

However, the Hong Kong community and this Council do not subscribe to this point and they question why we should favour foreign consortia and give them preferential treatment to attract them to Hong Kong. If we do not make such offers, they will go elsewhere. As for our young people, Mr WONG Kwok-hing just said that their unemployment rate is between 10% and 20%. I have not realized it. He may be right but I only know that our overall unemployment rate is only 3.3%. With Hong Kong's unemployment rate being so low, are young people really unable to find a job? Or, it is that they can find a job but they think that they, being university graduates, have no reason to work in certain industries?

President, you and I are quite senior in age. I went to work in the United States in the 1980s. I remember that in the 1960s, bachelor's degree holders could find a job there while doctoral degree holders were overqualified for most jobs and had to work as taxi drivers. It indicates that one has to suffer some hardships after graduation. The sluggish economy at that time was mostly to blame. If the economy was good, it would boost the employment market. Nowadays, to talk about assisting young people in their development on all fronts ... At present, everything has to be initiated by the Government, be it education or home affairs, and all people demand the Government for help. I hope that this will not convey a message to young people, thinking that most Members recognize that society has the responsibility to help young people in everything; help them when they cannot afford to buy a flat and help them when they cannot find a job. In my opinion, if such a message has been disseminated, it will make

young people think that they do not need to make any efforts themselves. They will only think about what society can do for them, rather than what they, as youngsters, can do for themselves and contribute to Hong Kong 20 years later. If such a wrong message has been disseminated, making them think that society has to take care of them, the situation will be dire.

President, the Liberal Party does not oppose the views expressed by many colleagues just now. We go along with them. However, after discussion, I think it is most important to provide young people with the opportunities for upward mobility and the best way to do so is to boost the development of our economy, thereby attracting more foreign professionals to invest in Hong Kong, and only through this can Hong Kong's young people have the chance to move upward.

Thank you, President.

MR SIN CHUNG-KAI (in Cantonese): President, young people are the future pillars of society. I believe nobody in this Council would deny this saying. However, after analysing some figures, you will find that young people in Hong Kong face great employment difficulties.

At present, the unemployment rate in Hong Kong is 3.3%, which is close to full employment, meaning that everyone can have a job. Some industries even have unfilled vacancies, leading to the demand for importation of foreign labour by the business community. However, the youth unemployment rate in Hong Kong has long remained at double-digit levels. According to the latest figures for the period between May and July 2013, the youth unemployment rate is 10.1% with about 32 900 unemployed young people. I believe the situation will be even worse for the period between May and July of this year, as there will be more graduates seeking employment. The unemployment rate may be higher at that time. Besides, the median monthly income of young people also indicates that they have encountered great difficulties in employment. According to the Census and Statistics Department's information, the median monthly income of young people aged 15 to 24 was \$8,000 in 2001. Yet, the income level still remained at \$8,000 in 2011, without any increase at all. When compared with other age groups, only the group aged 15 to 24 has seen no rise in their median monthly income. The situation is very worrying.

Over the past decade, consumer prices have risen significantly because of inflation. Take the extra value meal set of a fast food restaurant as an example. For the same meal set, it cost \$18 in 2001 but over \$30 a decade later, representing a rise of 66.7%. I believe you are all very familiar with various kinds of index. The rental and property price indexes have also risen 47.3% and 142.6% respectively. With the median monthly income remained unchanged or changed slightly over the past decade, how can young people be optimistic about their future?

The Democratic Party has all along been very concerned about the unemployment rate of young people. We think that young people are pessimistic about their future probably because of the decreasing chance of upward mobility in society. This, coupled with a lack of opportunities for advancement and an uncertain outlook, have made them hold grievances against the community. In fact, I believe development opportunities and clear policies will be conducive to young people. Of course, as Mr James TIEN mentioned just now, we must not make young people believe that they should be helped in every aspects. That is also a right approach, as young people have to be self-reliant at the end of the day. However, we should also try to create opportunities in the community to give aspiring young people room for advancement.

Back to today's motion, we support most of the proposals. However, I would like to point out that we have reservation about a few proposals, but that does not mean we would oppose all of them. For example, item (13) of the 22 proposals made by Mr KWOK Wai-keung proposes to encourage and support young people to develop their career in the Mainland, and enrich their understanding of the Mainland. Objectively speaking, people familiar with the situation of the labour market will know that what I am going to say has nothing to do with conflicts between the two places. I hope that you will not read too much into it. In fact, as we all know, many Hong Kong people went to the Mainland to seek development opportunities a decade or so ago. However, they have now returned to Hong Kong after the Mainland market was fully developed. That is the reality of the situation. I am talking about career opportunities, not conflicts between the Mainland and Hong Kong. Therefore, please do not read too much into it. I would like to point out that after more than a decade of development on the Mainland, the tables are turning in terms of development opportunities available in the two places. As far as I know, waiters in Hong Kong who previously went to work as managers in the Mainland have to return to

Hong Kong now. The tables are turning now and I am only talking about room for career development. Therefore, I think we have to be cautious and think carefully whether the Mainland can offer suitable opportunities in this regard. Otherwise, if we hastily lure young people to the Mainland, they may just waste several years of time there with limited room for development.

Other than that, we support most of the amendments. However, we will abstain from voting on Mr CHAN Kin-por's amendment, as some of its proposals have a somewhat labelling effect with confusing wordings. For example, he proposes in his amendment to encourage young people to "avoid over-indulging in the virtual network and teach them to stay away from drugs". Although there are undoubtedly more drug abuse cases among young people now, I believe it is not a prevalent problem. Besides, today's motion aims to explore ways of helping young people with employment. Mr CHAN Kin-por's amendment is not aimed at promoting employment and has a labelling effect. Therefore, we will abstain from voting. As for Mr Michael TIEN's amendment, we also have some problems with it and will thus abstain from voting on this amendment. We hope that young people will have more room for career development.

MR FRANKIE YICK (in Cantonese): President, as Mr SIN Chung-kai has just said, young people are the future pillars of society as well as the new driving force for Hong Kong's economy. In today's competitive society, strengthening young people's mental health, improving their academic level and career preparation is increasingly important. In my opinion, the earlier assistance is provided, the better is the outcome. Young people should be given assistance by schools and other youth development concern groups during secondary education to plan for their future. This is commonly known as "career and life planning". In doing so, young people can get to know their own interests and strengths as early as possible and receive specific training, so as to pave a way for their future development.

On the educational front, there are voices in the community calling for the Government to substantially increase the number of subsidized university places, so that more secondary school graduates can receive university education. I think university places should be increased moderately, as there have already been talks of the so-called "inflation of college degrees" and "depreciation of college degrees" in the community over the past decade. In view of Hong Kong's existing industrial structure, will there be so many new vacancies and jobs

for university graduates to fill every year? It is worth much studying by the Government and the academic sector.

I agree with what Mr IP Kin-yuen has just said, that is, our society should enhance the diversification of education. For example, we should strengthen vocational education and on-the-job training, as well as enhance the practicability of various levels of diploma and certificate courses, so as to cater for young people who have no interest in mainstream education but possess other talents. I have met many senior secondary students via the Project WeCan, an initiative launched by the company I work for. These students have different talents in machineries, electronic or graphic design, photography, and so on. If choices are available, I believe they will choose to study in senior secondary schools which provide vocational education — unfortunately, such schools are rare in Hong Kong — or the courses offered by the Hong Kong Institute of Vocational Education. We think that these courses are more aligned with their interests and can likely be put into practice. Therefore, the Government should not just focus on increasing university places, but should also increase various vocational and professional training programmes. Only then can it keep in line with the continuous development of various sectors in Hong Kong.

In the consultation document entitled "Thoughts for Hong Kong" released in October last year, the Government suggested strengthening vocational education for the development of a diversified economy. We in the Liberal Party think that it is the right direction and believe that in the long run it will help improve the problem of manpower mismatch in Hong Kong, that is, the current situation in that "while there are job vacancies left unfilled, some people remain jobless".

President, as for associate degree courses, many students who cannot meet the university entry requirements have to take self-financed associate degree courses. However, as there are not enough top-up degree programmes for associate degree holders, many of them cannot get a place in the university. Yet they have difficulties finding jobs as associate degrees are not widely recognized by employers or overseas institutions.

Therefore, we think that it is necessary for the Government to fully review the policies on associate degree and post-secondary education as well as resource allocation, so as to ensure that manpower resources and the education policy can meet the needs of Hong Kong's industrial structure, thus avoiding wastage of

valuable manpower resources. May I ask the Government whether there is a direction for our industrial structure?

As for today's amendments, Mr KWOK Wai-keung suggests reviewing and improving the existing Employment Ordinance to strengthen the protection for young people who take up part-time and short-term jobs or are employed on a contractual basis. This suggestion will affect the operation of the business sector, especially the financial commitment of small and medium enterprises (SMEs). Such issue was once discussed by the relevant Panel but no consensus was reached. Mr KWOK also suggests enacting legislation to require an annual three-day paid training leave for employees. But this will also affect SMEs' operation and increase their operating cost. We in the Liberal Party suggest allowing private companies to formulate their own policies in this regard, which will be more appropriate than enacting legislation across the board. Therefore, we will oppose Mr KWOK's amendment.

Dr Helena WONG's amendment suggests that the scholarship schemes for research postgraduate programmes offered by funded-institutions should give priority to local young people. We in the Liberal Party do not agree with this view, as any students with excellent academic achievement should have equal opportunities for scholarships. We should not award a scholarship based on where one comes from. Moreover, scholarships can serve as part of the Quality Migrant Admission Scheme under which non-local students are attracted to study in Hong Kong and stay here for work.

As for Mr Michael TIEN's suggestion of funding talented local students to study overseas and enrol in the programmes not offered locally, people would query whether public money will be put to reasonable use. If such programmes are in need, I suppose the universities in Hong Kong would have offered them already.

Mr CHEUNG Kwok-che suggests increasing the number of school social workers in secondary schools to provide young people with "career and life planning" services. In our view, "career and life planning" should be taken up by schools collectively. It should normally be led by student guidance officers, rather than being a major work for school social workers. As such, we do not support this suggestion.

We generally support the suggestions proposed by Mr WONG, Mr TIEN and Mr CHEUNG in their amendments, though we have reservation about the aforesaid parts. As such, we, the Liberal Party, will abstain from voting on these three amendments. President, I so submit.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now declare the meeting suspended until 2.30 pm tomorrow.

Suspended accordingly at three minutes past Ten o'clock.