

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 30 March 2011

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

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.M., G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, S.B.S., J.P.

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

THE HONOURABLE LI FUNG-YING, S.B.S., J.P.

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

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

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

THE HONOURABLE CHEUNG HOK-MING, G.B.S., J.P.

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

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

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

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

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

MEMBERS ABSENT:

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S., S.B.ST.J.,
J.P.

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

PUBLIC OFFICERS ATTENDING:

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

THE HONOURABLE AMBROSE LEE SIU-KWONG, G.B.S., I.D.S.M., J.P.
SECRETARY FOR SECURITY

DR THE HONOURABLE YORK CHOW YAT-NGOK, G.B.S., J.P.
SECRETARY FOR FOOD AND HEALTH

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, S.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

THE HONOURABLE EDWARD YAU TANG-WAH, J.P.
SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE EVA CHENG, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

MR GREGORY SO KAM-LEUNG, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): 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)

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Import and Export (General) (Amendment) Regulation 2011	43/2011
Declaration of Constituencies (District Councils) Order 2011	44/2011
Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011	45/2011

Other Papers

No. 82 — The Lord Wilson Heritage Trust Annual Report 2009-2010

No. 83 — Electoral Affairs Commission
Report on the Recommended Constituency Boundaries for
the 2011 District Council Election

No. 84 — Financial Reporting Council Annual Report 2010

Report No. 17/10-11 of the House Committee on Consideration of
Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Food Safety Bill

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Juvenile Crimes in Tseung Kwan O District

1. **MR CHAN HAK-KAN** (in Cantonese): *President, it has been reported that a number of juvenile crimes, including robberies, wounding and assaults, occurred in Tseung Kwan O recently, which have aroused the concerns of residents in the district. In this connection, will the Government inform this Council:*

- (a) *of the number of crimes, together with a breakdown, which occurred in Tseung Kwan O in the past three years in which the suspected offenders were aged 18 or below, and the number of people who were convicted eventually; of the areas identified as black spots of crime in the district, as well as the short-term measures taken by the police to combat the crimes;*
- (b) *given that the Tseung Kwan O Divisional Police Station is under the command of Kwun Tong Police District at present, whether it has assessed if such an arrangement has affected the deployment of police officers to Tseung Kwan O District for patrolling and law enforcement; if it has, of the outcome; whether the authorities have considered reviewing the arrangement, including setting up an independent Tseung Kwan O Police District; if they have, of the details; if not, the reasons for that; what factors the authorities will take into consideration when studying the setting up an independent police district; and*
- (c) *whether the authorities will allocate additional resources to the voluntary agencies which at present offer extended services for young night drifters (YNDs) to further develop such services or introduce more teams to service YNDs; if so, of the details; if not, the reasons for that; whether there is any collaboration programme jointly organized by various government departments and the aforesaid voluntary agencies to deal with youth problems in the district?*

SECRETARY FOR SECURITY (in Cantonese): President,

- (a) during the three years between 2008 and 2010, the police arrested a total of 351, 305 and 352 young persons aged under 18 respectively in Tseung Kwan O. The arrest figures do not show any significant change during the period. The numbers of arrests broken down by offences and numbers of convictions are set out at the Annex.

Most young persons arrested in Tseung Kwan O were involved in shop theft and wounding offences. From 2008 to 2010, except for cases involving wounding and serious assault, the numbers of arrests involving other offences do not show any significant change. In order to combat youth crime problem in the district more effectively, an additional dedicated team has been set up in the Tseung Kwan O Division since April 2010 to step up patrols of locations frequented by young persons. Furthermore, criminal cases in Tseung Kwan O involving young persons are referred to the District Crime Squad of the Kwun Tong Police District for follow-up actions as a measure to target against juvenile street gangs.

On publicity and education, there are three Police School Liaison Officers responsible for liaising with schools in Tseung Kwan O. In 2010, the School Liaison Officers in the district organized a total of 245 activities, including talks, visits and Junior Police Call activities. The activities aimed to instill positive values and the law-abiding concept in students, and strengthen co-operation between the police and schools. In addition, the Sai Kung District Fight Crime Committee and the police jointly organized 15 publicity programmes in the Sai Kung and Tseung Kwan O districts in 2010 focusing on themes such as combating shop thefts to help enhance public awareness of crime prevention.

- (b) The law and order in Tseung Kwan O is currently maintained by the Tseung Kwan O Division of the Kwun Tong Police District in the Kowloon East Police Region. The police have been closely monitoring the crime situation and policing needs of the district. Adequate police strength has been deployed to Tseung Kwan O to maintain law and order with reference to its community development

and population growth. In the past 10 years, the establishment of front-line police officers in the Tseung Kwan O Division has increased by more than double from 118 to 255 officers. In addition to the resources of the Tseung Kwan O Division, the Kowloon East Police Region has a strength of over 2 900 officers and the police would redeploy resources internally where necessary to meet operational needs within the area. Therefore, the enforcement capability of the police in Tseung Kwan O or other districts will not be restrained by the administrative boundaries of the police districts. The police will continue to monitor the policing needs in Tseung Kwan O closely and take corresponding measures to maintain law and order.

In fact, to better meet the policing needs of local communities, the police would review their policing arrangements from time to time, including the boundaries of police regions, districts and divisions. In conducting such review, the police would take into account such factors as projected population growth, land uses and developments, geographical characteristics and crime statistics. Regarding the proposal to upgrade the Tseung Kwan O Division to a police district, the police are currently conducting a study on the re-organization of the Kowloon East Police Region, which includes the distribution of manpower and facilities in the region to cater for the integrated policing needs upon the implementation of major housing and infrastructural developments in the region (such as the Kai Tak Development Plan, the housing development at Anderson Road and the Kwun Tong Town Centre Redevelopment Project, and so on).

- (c) The third part of the question relates to services provided for young people in Tseung Kwan O. According to the Labour and Welfare Bureau, the Government is very concerned about the healthy development of young people. The Social Welfare Department (SWD) has been adopting the strategies of early identification and intervention, timely support, cross-sector and inter-departmental collaboration in providing a wide range of preventive and supportive services through subvented non-government organizations to meet the different developmental needs of young people. Such services include integrated children and youth services centres (ICYSCs),

school social work service, youth outreaching social work teams (YOTs), community support service scheme and counselling centres for psychotropic substance abusers (CCPSAs).

To strengthen support for youths at risk, particularly "YNDs", the SWD made available one additional social worker for each of the 16 District YOTs and 18 teams of Overnight Outreaching Service for Young Night Drifters (YNDs) over the territory in October 2008 to enhance timely intervention and counselling service. In December 2010, the SWD allocated additional resources to provide one more social worker to each of the 16 District YOTs. At present, there are altogether 308 social workers in the District YOTs and YNDs. In the course of service enhancement, the SWD has made appropriate allocation of resources by providing additional resources to districts which have greater service demand, including the YND in Tseung Kwan O.

To meet the needs of youths at risk who are psychotropic substance abusers, the SWD has also allocated additional resources to strengthen the counselling service and assistance provided by CCPSAs. The number of CCPSAs has increased from five to 11 to provide services over the territory. Of these, the newly established Rainbow Lutheran Centre of Hong Kong Lutheran Social Services, which mainly serves Wong Tai Sin, Sai Kung and Tseung Kwan O districts, provides services that include approaching youths at risk who are psychotropic substance abusers through outreaching.

Moreover, the SWD has set up an additional ICYSC at LOHAS Park, a newly developed area in Tseung Kwan O, since February 2010. At present, there are 20 ICYSCs/Children Centres/Children and Youth Centres (CYCs) within Wong Tai Sin and Sai Kung Districts. Of these, seven ICYSCs and one CYC provide services to children and young persons in Tseung Kwan O.

At the district level, the Wong Tai Sin and Sai Kung District Social Welfare Office (DSWO) of the SWD has been working actively with the concerned District Councils, other government departments and community stakeholders to pool together community resources and

efforts for the provision of appropriate services to those in need. Regarding support for "YNDs" or youths at risk, the Leisure and Cultural Services Department and DSWO have, taking into account the need of the "YNDs" in individual districts, opened up LCSD's sports venue facilities at night since 2002 for overnight outreaching service teams to organize activities for young people.

Through the existing platform of the Local Committee on Services for Young People, DSWOs continue to co-ordinate the work of district youth services units by motivating them to make better use of district resources and, in conjunction with resident associations, focus on organizing different forms of activities for young people who are most vulnerable and those at risk to assist them to stay away from juvenile gangs and crimes.

The SWD will continue to closely monitor the needs of youths at risk, in particular "YNDs", and timely review the demand for related services in a timely manner. Taking into account the characteristics and service needs of their respective districts, DSWOs will collaborate with relevant youth services units and stakeholders to provide young people with diversified and appropriate services to help them grow up in a healthy manner.

Annex

Number of arrests of young persons aged under 18
by the police in Tseung Kwan O

<i>Offence</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Shop Thefts	108	53	106
Miscellaneous Thefts	57	59	45
Wounding and Serious Assaults	51	79	86
Serious Narcotics Offences	11	4	8
Unlawful Society Offences	30	18	18
Criminal Damages	4	19	13
Robberies	13	12	14
Indecent Assaults	15	14	12

<i>Offence</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Others (including Criminal Intimidation, Blackmail, Unlawful Sexual Intercourse and Possession of Offensive Weapon)	62	47	50
Total	351	305	352
Number of convictions ⁽¹⁾	71	61	39 ⁽¹⁾

Note:

- (1) Due to the fact that legal proceeding takes time, some cases are not yet concluded. The number of convictions may increase later.

MR CHAN HAK-KAN (in Cantonese): *President, juvenile crimes or the problem of YNDs have existed for a long time, and according to past experience, employment of both hard and soft tactics is a good solution. Hard tactics involve enhancing police strength or upgrading certain districts to independent police districts while soft tactics involve enhancing the provision of youth services. However, as Tseung Kwan O is a new community, there are deficiencies in planning and resources. For example, the Tseung Kwan O Divisional Police Station is under the command of Kwun Tong Police District, and in terms of social services, Tseung Kwan O is under the Wong Tai Sin District Social Welfare Office. Owing to inadequate police strength, the number of juvenile crimes has not decreased in the past three years. As regards social services, Tseung Kwan O is under the Wong Tai Sin District as I have just said. President, as you know, Wong Tai Sin is an old district with more elderly persons, hence demand for elderly services may be greater. Tseung Kwan O is, on the other hand, a new district and it has a greater demand for youth services. In this connection, will Secretary Matthew CHEUNG follow the example of Secretary Ambrose LEE, and consider spinning off those services for Tseung Kwan O from the Wong Tai Sin District Social Welfare Office to allow Tseung Kwan O to have more resources for solving the current youth problems?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): First of all, I would like to thank Mr CHAN for raising this problem of concern to us all. I agree that both hard and soft tactics should be used to address the problem. Hard tactics involve law enforcement and public order, whereas soft tactics, as rightly pointed out by Mr CHAN, Tseung Kwan O belongs to the Wong Tai Sin

and Sai Kung District according to demarcation of the SWD, but we will not overlook the development of Tseung Kwan O because Wong Tai Sin is an old district. According to the figures, there are 20 ICYSCs/Children Centres/CYCs in the Wong Tai Sin and Sai Kung District. There are seven ICYSCs and one CYC in Tseung Kwan O, making a total of eight centres. Among the 20 centres in the District, eight of them are located in Tseung Kwan O, this indicates that we have deployed abundant manpower in Tseung Kwan O. This is the first point.

Second, as explained in the main reply, we have set up an additional ICYSC at LOHAS Park in February 2010 to tie in with the new town development in Tseung Kwan O. Our YND service teams have currently deployed abundant manpower in a few housing estates including Sheung Tak Estate, Kin Ming Estate and Choi Ming Court, and some YND service team members frequently station in Ming Tak Estate. We concentrate our forces in the so-called "high-risk districts" and in contacting young people at night.

In the past few years, we have been co-operating with the LCSD in organizing the Project for YNDs. The late-night activities for young people are held once or twice a month on Friday from 11.30 pm to 2 am in the Indoor Recreation Centre in Tseung Kwan O.

Earlier, I had visited YNDs in Tai Po and a new "Targeted Career Training Mission" programme was subsequently launched by the Labour Department. As some young people do not get up during daytime, we have specially arranged part of the courses under the YPTP • YWETS Programme to start at 11 pm, so as to meet their needs.

We have tried by all means to contact YNDs and adjust to their living environment and habits, in the hope that we can attract these young people to receive service and get back on track.

MR LAU KONG-WAH (in Cantonese): *President, the Secretary has touched on the manpower of front-line police officers in part (b) of his main reply; there are 255 front-line police officers in the Tseung Kwan O Division, and the number is rather small. As the Kowloon East Police Region has a strength of over 2 900 officers, does this mean that only one tenth of the resources have been deployed*

to the Tseung Kwan O Division? However, Tseung Kwan O has a population of over 400 000 while Kwun Tong has a population of around 700 000, why is it so out of proportion? Moreover, the Secretary mentioned that the re-organization of the Kowloon East Police Region would be proactively considered but he has not stated whether an independent Tseung Kwan O Police District would be set up.

We started reminding the Secretary to consider this proposal seven years ago. The Secretary indicated at that time that owing to financial problems, the proposal would be shelved. Now that there is a fiscal surplus, why is the proposal not reintroduced? Will the proposal not be reintroduced within the foreseeable future?

SECRETARY FOR SECURITY (in Cantonese): President, as stated in part (b) of my main reply, the establishment of front-line police officers in the Tseung Kwan O Division has increased by more than double from 118 to 255 officers. The Tseung Kwan O Division is a part of the Kowloon East Police Region; as I have pointed out in my main reply, the maintenance of law and order in Tseung Kwan O is currently supported by the Kowloon East Police Region, especially the Kwun Tong Police District. In case of juvenile and juvenile street gang problems, police officers will be deployed from the Kwun Tong Police District to offer support.

Regarding the proposal to upgrade the Tseung Kwan O Division to a police district, as pointed out in my main reply, the police are currently conducting a study on the re-organization of the Kowloon East Police Region, which includes the distribution of manpower and facilities in the region, and the proposal to upgrade the Tseung Kwan O Division to a police district is one of the proposals under consideration. Certainly, as I have mentioned in my main reply, the police would take into account factors such as projected population growth, whether there are large-scale infrastructural projects and the crime characteristics of the district.

As Mr LAU Kong-wah has just said and as some Members (including District Council Members and Legislative Council Members) have reflected to me, I understand that they want the Tseung Kwan O Division to be upgraded to a

police district. The police will also consider the proposals when studying the re-organization of the Kowloon East Police Region.

MR LAU KONG-WAH (in Cantonese): *President,*

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

MR LAU KONG-WAH (in Cantonese): *The Secretary has not answered this part of my question: Tseung Kwan O has a population of 400 000, which accounts for more than 50% of the population in the whole district, but the police strength in Tseung Kwan O only accounts for 10% of the total police strength; is that out of proportion?*

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

SECRETARY FOR SECURITY (in Cantonese): President, concerning the deployment of police officers, the Commissioner of Police will certainly deploy adequate police officers for the maintenance of law and order in the district. As regards law and order in the Tseung Kwan O Division, the crime rate in the district is actually lower than that in other police districts and divisions in East Kowloon; thus there is adequate police strength for the maintenance of law and order.

Nevertheless, as Mr LAU has just mentioned, we have noted the population growth in the Tseung Kwan O Division. According to the police's criteria for upgrading a division to a police district, Tseung Kwan O meets the requirements for upgrading to a police district merely in terms of population; we will also consider this factor in the future.

MR WONG SING-CHI (in Cantonese): *President, Secretary Matthew CHEUNG has just said that the Labour and Welfare Bureau has done a lot work,*

which include setting up several ICYSCs and overnight outreaching service teams, yet such problems have still emerged.

What is the Secretary's view on this issue? Though the authorities concerned have put in a lot of efforts and resources, they have failed to solve the problems of juvenile crime; is this because there is a mismatch of resources or some mistakes have been made? If the Secretary considers that all that can be done is done, and only Secretary Ambrose LEE can take another step further; would the Secretary suggest that Secretary Ambrose LEE should consider setting up an independent Tseung Kwan O Police District to assist the Secretary in dealing with juvenile crime problems?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): The fact that the Secretary for Security and I are present today well illustrates that we are working together with a view to solving the problem.

In fact, the youth problems in Tseung Kwan O have happened before in Tin Shui Wai and Tung Chung. We will now focus on dealing with these problems. Regarding resources, in answering Mr CHAN Hak-kan's question, I have mentioned the resources we had put into YNDs, daytime youth outreaching services and ICYSCs. In one non-governmental organization in the Tseung Kwan O District, there are now 49 social workers stationed in the district, specifically addressing these problems. Furthermore, there are other service centres operated by different organizations with a rather significant number of staff. Yet, there are a larger number of housing estates in Tseung Kwan O South. We will not lower our guard, and we will definitely continue to work hard and adopt a two-pronged approach, hoping to solve the problems.

This year, in line with the anti-drug campaign at schools, the number of school social workers will increase by 20%. Therefore, 25 secondary schools in Tseung Kwan O will have additional social workers to enhance contacts with parents and step up efforts in schools. I hope that the situation would improve gradually.

MR CHEUNG KWOK-CHE (in Cantonese): *President, summarizing the Secretary's remarks, I believe that there are 70 000 young people aged between*

10 and 24 in Tseung Kwan O at present, and there are 26 HOS housing estates and public housing estates in the district. It is right for the Government to put in more resources. But, whether the resources are enough is another issue.

As the Secretary has just mentioned, there are 49 social workers taking care of young day drifters and YNDs. Nevertheless, we all understand that the Wong Tai Sin and Sai Kung District has a considerable coverage. The Sai Kung District mainly comprises Tseung Kwan O and the Wong Tai Sin District also needs to serve young day drifters YNDs. How is the work distributed among these 49 social workers?

We have noticed that the key issue is not about a 0.2% increase in school social workers but the disturbance at night — I agree with Mr CHAN Hak-kan — that the focal point is the disturbance caused by young people at night.

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

MR CHEUNG KWOK-CHE (in Cantonese): *Will the Secretary for Labour and Welfare provide this district with specific additional resources, to focus on addressing the problem of YNDs causing disturbance in Tseung Kwan O? We notice that community facilities are currently inadequate, and it is necessary to provide YNDs with venues for recreational activities at night.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): First, I wish to clarify that the 49 social workers mentioned all belong to a NGO, and their scope of service is in Tseung Kwan O but not Wong Tai Sin. If the Wong Tai Sin District is included, there are actually more than 100 social workers.

I have just said that there are seven ICYSCs and one CYC in Tseung Kwan O — I stress that it is the Tseung Kwan O District — there are more than 20 such centres in the whole Wong Tai Sin and Sai Kung District, and eight of them are located in Tseung Kwan O. Last year, we set up an additional centre in LOHAS Park. We are now focusing on YNDs; if youth outreaching services and ICYSCs are also taken into account, an organization has already deployed 49 social workers to provide targeted service in Tseung Kwan O — please do not

mix that up with Wong Tai Sin. This proves that we have really put in resources and have provided targeted service in Tseung Kwan O. Of course, we can consider increasing manpower if necessary, and we will not rule out this possibility. Take school social workers as example, there will be an increase of 20% in manpower, which can relieve the pressure of front-line social workers and allow more work to be done.

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

MR CHEUNG KWOK-CHE (in Cantonese): *President, I would like the Secretary to clarify one point because I am not clear about the concept*

PRESIDENT (in Cantonese): Please put your follow-up question in simple terms.

MR CHEUNG KWOK-CHE (in Cantonese): *..... 49 social workers are responsible for the work on ICYSCs, outreaching service teams and YNDs. We are actually concerned about YNDs; how many social workers are responsible for the relevant work? How many members of the overnight outreaching service teams specifically provide services in the Tseung Kwan O District? I guess that there are only a few.*

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): We have a YND team in Tseung Kwan O, and the establishment of each YND team currently includes seven social workers. An outreaching service team has 12 social workers, and the ICYSC of an organization has around 30 social workers. Just that organization alone, there are 49 social workers in Tseung Kwan O. As these social workers work under the same organization, more flexible deployment is possible. We hope that there would be better co-ordination among different

organizations in Tseung Kwan O. Furthermore, we also have District Officers within the District Management Committees for co-ordination. If necessary, we are always ready to deploy staff to enhance services.

MR CHEUNG KWOK-CHE (in Cantonese): *It is very clear that the Secretary has just said that seven people will look after 26 housing estates*

PRESIDENT (in Cantonese): Mr CHEUNG, you cannot respond to the Secretary's answer. If you think that the Secretary has not answered your question, you may say so.

We have spent 24 minutes on this question. Second question.

Dental Services for Elderly

2. **DR JOSEPH LEE** (in Cantonese): *President, the Government has planned to launch a three-year pilot project in April this year under which non-profit-making organizations will provide outreach primary dental care and oral healthcare services (such as dental check-up, scaling, polishing, pain relief and emergency dental treatment) to elderly people in residential care homes (RCHEs) and Day Care Centers for the Elderly, but excluding crowning or tooth-filling services. In view of the fact that the dental out-patient services provided by the Department of Health fall short of the demand, those elderly people who cannot benefit from the pilot project can only continue to seek dental treatment from the private sector and as a result have to bear very high costs. In this connection, will the Government inform this Council:*

- (a) *as elderly recipients of Comprehensive Social Security Assistance (CSSA) may apply for grants to cover costs of dental treatment, of the number of elderly people who had received such grants in the past five years, the total amount of grants approved and the types of dental services received by them; whether the authorities will reconsider including crowning or tooth-filling services in the scope of the pilot project; if so, of the details; if not, the reasons for that;*

- (b) *as there have been comments that with only 11 dental clinics under the Department of Health in Hong Kong at present, many elderly people need to seek treatment from dental clinics in other districts, coupled with the fact that the service capacity is insufficient and the coverage of the services is limited to emergency treatment, whether the authorities have considered expanding the existing capacity and coverage of services, so that more elderly people in need can use the services; if so, of the details; if not, the reasons for that; and*
- (c) *whether the authorities have compiled statistics or conducted surveys on a regular basis to assess the dental health of elderly people in Hong Kong; if so, of the details; if not, the reasons for that; whether the authorities have reviewed the current dental services for elderly people in Hong Kong to see if these services are comprehensive, adequate and appropriate; if so, of the details; if not, whether the authorities will consider conducting such a review and making improvement?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President,

- (a) The Government's policy on dental services seeks to improve oral health and prevent dental diseases through promotion and education, thereby raising public awareness of oral health, and facilitating the development of proper oral health habits.

To cater for the needs of those with financial difficulties, under the CSSA Scheme, dental grant would be given to CSSA recipients who are old or medically certified to be disabled or in ill-health to cover their expenses on dental services. The grant covers dental treatments including scaling and polishing, filling, extraction, dentures, crowns, bridges and root canal treatment. Eligible CSSA recipients can approach the 47 dental clinics designated by the Social Welfare Department (SWD) for dental examination and estimate of cost. After undergoing dental examination and obtaining the cost estimate at the designated dental clinic, CSSA recipients can apply for the dental grant from the SWD. Upon receiving approval of the

dental grant, CSSA recipients are free to choose any registered dentists for the relevant treatment service.

In the past five years, the number of CSSA recipients given the dental grant has been on the increase each year as shown at Annex.

In addition, we will launch a Pilot Project, in partnership with non-governmental organizations (NGOs) for a period of three years starting from April 2011, to provide elderly people residing in RCHEs or receiving services in day care centres with outreach primary dental care and oral healthcare services free of charge, including dental check-up, scaling, polishing and any other necessary pain relief and emergency dental treatments. The costs of such outreach primary dental care and oral services provided by the participating NGOs will be covered by the subvention to the NGOs from the Government.

For elderly people identified as having the need for and considered suitable for receiving follow-up curative treatments (for example, replacement of missing teeth, fillings), participating NGOs under the Pilot Project will arrange for the necessary treatments, including applying on behalf of those who are recipients of CSSA for dental grant under the CSSA Scheme. For those who have financial difficulties but not receiving CSSA, the NGOs will provide or arrange to provide financial assistance to meet the cost of the further curative treatments. The dentist in charge of the case will make his/her clinical professional judgment to determine whether further follow-up curative dental treatments are necessary.

We expect that 17 NGOs will participate in the Pilot Project providing more than 100 000 attendance through 27 outreach teams benefiting some 80 000 elderly in RCHEs and day care centres over the three-year pilot period. The total amount of subvention to the NGOs for the three-year Pilot Project is estimated to be about \$88 million. The Government will monitor the implementation of the Pilot Project, and conduct an interim review on its effectiveness after we have gained enough experience from the operation of the Pilot Project.

- (b) At present, we focus our efforts on providing emergency dental services for the public. The Department of Health provides free emergency dental services, covering treatment of acute dental diseases, prescription for pain relief, treatment of oral abscess and teeth extraction through its 11 government dental clinics. Dentists of the Department of Health would also give professional advice with regard to the individual needs of patients.

In addition, the Department of Health provides specialist oral maxillofacial surgery and dental treatment to the referred hospital in-patients, patients with special oral healthcare needs and dental emergency in the Oral Maxillofacial Surgery (that is, facial maxillary/mandibular surgery) and Dental Units (OMS&DUs) of seven public hospitals. The provision of specialist dental care service in the OMS&DUs is by referral. Members of the public in need of these services can be referred through hospitals/out-patient clinics/centres under the Hospital Authority or any registered dentists or medical practitioners. The dental clinics will arrange appointments for them according to urgency of their conditions. Patients with emergency needs, such as cases of dental trauma, will be provided with immediate consultation and treatment.

As regards curative dental services, they are mainly provided by the private sector and NGOs. The Government has launched the Elderly Health Care Voucher Pilot Scheme since January 2009 for a period of three years, under which elderly people aged 70 or above are provided with healthcare vouchers. The healthcare vouchers can be used for dental services provided by private dental clinics and dental clinics operated by NGOs. We have completed an interim review of the Scheme and proposed to extend the Scheme for a further period of three years, and double the value of healthcare vouchers to \$500 per person per year. The Financial Secretary has committed to allocating \$1 billion to implement this proposal.

- (c) The Department of Health will conduct the territory-wide oral health survey from May 2011 to February 2012 to continuously monitor the

oral health status and assess the oral health behaviours and habits of our population. The information collected could facilitate the planning and evaluation of various oral health programmes as well as formulation of objectives for oral health services.

The oral health survey will be conducted in accordance with the criteria and recommendations of the World Health Organization. The targets of the survey are members of the key index age groups, including:

- (i) five-year-old children
- (ii) 12-year-old children
- (iii) 35 to 44-year-old adults
- (iv) 65 to 74-year-old non-institutionalized elderly people
- (v) 65 and above elderly people receiving long term care services in RCHEs and receiving community care services at home and in day care centres

Among the above key index age groups, 65 and above elderly people who are receiving community care services at home and in day care centres are the new target groups of the oral health survey.

According to the survey conducted by the Department of Health in 2001, the oral health status of the Hong Kong population was found to be in the same ranking as many other developed countries. The level of tooth decay among the 12-year-old students was among the world's lowest but their gum condition needed more attention. As for the non-institutionalized elderly people aged 65 to 74, the percentage of them who are edentulous (that is, the percentage of people with no teeth) among people in the respective age group was 9%, which was far lower than the 26% to 31% in the United States.

Statistics on the payment of the dental grant to CSSA elderly recipients
in the past five years

<i>Year</i>	<i>Number of approved cases</i>	<i>Total expenditure (\$million)</i>
2006-2007	2 696	11.5
2007-2008	2 989	13.2
2008-2009	3 487	15.9
2009-2010	5 506	26.3
2010-2011 (As at February 2011)	6 099	29.9

DR JOSEPH LEE (in Cantonese): *President, I asked about the types of dental services received by elderly CSSA recipients in part (a) of the main question, but the Secretary has not provided any relevant information in the Annex of his main reply. I wonder if the Secretary will provide supplementary information on this after the meeting, or such information is actually unavailable.*

I raised this question because the scope of the pilot project does not cover tooth-filling and crowning services, if some elders have their teeth extracted by dentist in case of emergency, and they cannot receive crowning or tooth-filling service from the Government, how then can they eat? I wish to know exactly the types of services that they would receive. In the main reply, the Secretary stated that the abovementioned services are not covered in the pilot project, but in part (a) of the main reply, he said that a review will be actively considered.

Since the Secretary has decided that no consideration will be made to provide crowning service to the elderly, which would possibly mean that these elders can hardly eat, will the Secretary inform us when a review will be conducted, with a view to including tooth-filling and crowning services into the pilot project as far as practicable, so as to ensure that the elderly can eat after tooth extraction?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, I would like to provide additional information. The total annual dental grant set out in*

the Annex, which is about \$30 million for this year, is actually an additional expenditure for the provision of tooth-filling or crowning services, as mentioned by Dr LEE, to elderly CSSA recipients. The grant is not dedicated for regular dental check-up, but merely an additional sum of dental grant.

Regarding the present pilot project, dentists have to make clinical professional judgment. If the dentist considers that tooth-filling or crowning is needed but not tooth extraction, he will consider how the necessary service would be provided to the elderly concerned. If the elderly is a CSSA recipient, dental grant will be applied on his behalf. For patients who are non-CSSA recipients, efforts will be made to see if they can afford to pay for the treatment costs. If they cannot, the relevant NGOs will consider providing the necessary assistance to them.

I hope that the pilot project will continue to operate for some time to enable us to have a better understanding of the needs of the elderly. In case the relevant services have to be further enhanced or reformed in future, consideration can be made along that line.

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

DR JOSEPH LEE (in Cantonese): *President, my supplementary question to the Secretary is whether he can expeditiously undertake to conduct a review or when it will be conducted.*

PRESIDENT (in Cantonese): You asked the Secretary about the timing just now. Secretary, can you advise the timing?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I wish to clarify if Dr LEE asked about the types of services to be provided with the grants, that is, the usage of the grant which amounts to tens of millions of dollars
.....

DR JOSEPH LEE (in Cantonese): *The last part of my supplementary question is: When will the relevant review be conducted given that the Secretary has undertaken, among others, to conduct a review of the pilot project?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, in the main reply, I have already stated that an interim review will be conducted. Since the project will only be introduced in April this year, I believe no effective review can be conducted before the end of 2012. The most important point is, like the Elderly Healthcare Voucher Scheme, we do not want to decide towards the end of the pilot project whether the scheme should continue to operate, instead we would decide at an earlier stage if the scheme should continue to operate or if adjustments have to be made.

MR TAM YIU-CHUNG (in Cantonese): *President, according to my understanding, the Medical Sub-committee under the Community Care Fund has recently discussed how assistance can be provided to elderly people in need of crowning and tooth-filling services. The Sub-committee has also proposed to set aside \$1,000 million for this purpose. May I ask the Secretary if he is aware of this and how he can expeditiously deal with the provision of crowning and tooth-filling services to the elderly? Can dentists and the relevant profession handle the work?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, although we have deployed staff to attend meetings of the Community Care Fund, we have not yet discussed with them details of the deliberation, in particular on the provision of dental services. Generally speaking, we welcome the availability of additional resources to provide assistance to the elderly.

Regarding the number of dentists, there are currently 2 179 registered dentists in Hong Kong. However, some of them do not reside in Hong Kong, either because they have retired or emigrated. The number of registered dentists residing in Hong Kong is 1 978, and it has been increasing over the past few years, from 1 842 in 2007 to 1 978 to date. As a result, the dentist per population ratio has dropped from 1:3 846 in 2007 to 1:3 571 at present. In other words, more services can be provided by dentists.

While there are about 50 registered dentists graduated in Hong Kong every year, the number of registered dentists with overseas qualifications who have passed local examinations has remained at nine over the past few years. In other words, there are about 60 new entrants joining the profession every year, and the number is on the increase.

I believe the supply and demand of dentists in Hong Kong have achieved a near balance. Thus, any proposal to significantly increase any type of service must be carefully measured against the need to increase manpower in other respects to cater for the demand. We therefore hope to make use of the pilot project to explore the future development. I have discussed with the Hong Kong Dentist Association Limited, which also supports the present direction of development.

DR PAN PEY-CHYOU (in Cantonese): *President, dental diseases remind me of an important old saying, "prevention is better than cure". This applies particularly to dental diseases because if our teeth are affected by oral diseases, be it periodontal or other diseases, prompt treatment can arrest the teeth from being deterioration to the extent the extraction is required.*

I note that the Government will, through the pilot project, provide basic dental services free of charge to elderly people living in RCHEs and receiving care services in day care centres. May I ask why the Government has not considered expanding the scope of the project to cover elderly community centres and neighbourhood elderly centres? Although the expansion will undoubtedly increase the number of beneficiaries and push up expenditure, I believe it can better achieve the principle of "prevention is better than cure". The second question is

PRESIDENT (in Cantonese): Dr PAN, you can only raise one supplementary question. Secretary, please reply.

DR PAN PEY-CHYOU (in Cantonese): *Okay.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have explained in the main reply and to the relevant panels, the relevant services are designed for elderly people living in RCHEs or receiving care services in day care centres. Thus, not only bed-bound elderly can benefit from this project, but also those receiving day care services.

Before any service is introduced, we should first decide on the target group of the service to be provided. In this case, we assume that if this target group of elderly has healthy teeth, they will have better ingestion of food and therefore sufficient intake of nutrient. I therefore find it particularly essential to provide this important service to elderly people living in RCHEs or receiving care services as they often have diet problem. Better ingestion of food can directly improve their health.

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

DR PAN PEY-CHYOU (in Cantonese): *Yes. My supplementary question is: Has the Government planned to assist elderly people who are neither bed-bound nor receiving care services, but are independent and receiving services in elderly community centres and neighbourhood elderly centres?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): We will first focus our attention on providing services to this group of elderly people having special needs before considering the need to help other elderly people. As I said earlier, elderly people of better physical condition may make use of their healthcare vouchers to consult dentists of their choices.

MR ALBERT HO (in Cantonese): *President, there are only 11 dental clinics and each has only set aside a few time slots for providing urgent dental treatments every week. This has caused great inconveniences to people and elderly seeking consultation as few time slots are available, and the allocation of consultation chips often fails to meet the service demand. We suggest that the Government should consider increasing the relevant expenditure and setting up*

small-scale dental clinics under the elderly health centres in the 18 districts to provide relatively cheaper dental services, with a view to meeting urgent demand for dental services, such as tooth-filling, extraction or treatment of serious oral diseases like periodontal disease. Will the Government consider providing these services?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have said, it is the Government's intention to focus on the pilot project by assisting the NGOs to develop their dental services. Among the NGOs which have participated in the project, many have established dental clinics charging rather reasonable fees. It is believed that many elderly people can thus receive services mentioned by Mr Albert HO earlier. Therefore, we suggest that the current mode of development should continue.

MS AUDREY EU (in Cantonese): *President, in the main reply, the Secretary mentioned that the value of healthcare voucher will be increased to \$500. However, when the issue was discussed in the Panel on Health Services earlier, we learnt that many elderly people are reluctant to use the vouchers to pay for regular check-up or for preventive purposes. Rather, they prefer to save the vouchers for emergency use. May I ask the Secretary if he would consider providing some other healthcare vouchers to be used specifically for regular dental check-up for prevention purpose, thereby encouraging the elderly to undergo regular dental check-ups?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, elderly healthcare voucher is not only a pilot scheme, but also a trial project. Therefore, we do not wish to hastily specify the usage of the vouchers at this stage by confining them to the payment of western medication, Chinese medication or dental check-ups. We want to leave the decision to the elderly people themselves.

I will not rule out the possibility of introducing specified preventive plans if the pilot project proves to be effective. However, given the present value, elderly people should be encouraged to make their own choice. We hope that after collecting the relevant data in the coming few years, a decision will be made

on the next move on the basis of the choices of the elderly, the ability of the trade, as well as the types and quality of services provided.

PRESIDENT (in Cantonese): Last supplementary question.

MR WONG KWOK-HING (in Cantonese): *President, I welcome the Government's introduction of the three-year pilot project. Although it is not perfect, it is nonetheless a breakthrough after years of struggle.*

My supplementary question is: The Secretary has stated clearly right at the beginning that education and promotion are very important, and there is a need to promote proper oral health habits. At present, dental care service is only provided for primary schools, and there is a service gap for secondary schools. Many parents have hence requested me to relay this issue to the Government.

Even for the oral health survey mentioned by the Secretary, its target groups include only five-year-old children, 12-year-old children, which is immediately followed by the third age group of 35 to 44 years old adults. People falling in the gap between the second and third age groups are therefore not covered, and they are young people receiving secondary education. I therefore wish to ask the Secretary via the President whether the Government will actively consider providing the school dental care service to secondary schools so as to fill the service gap between the two age groups, and carry out more studies on that particular age group?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the survey will be conducted in accordance with the criteria and recommendations of the World Health Organization. With the findings, we can then compare the situation of Hong Kong with different parts of the world. At present, Hong Kong's dental health is no worse than developed countries, it even compares favourably with many of them. Furthermore, the data on the next generation, children in particular, also shows that Hong Kong is among the top cities in the world.

Regarding the dental service need of secondary students, we have discussed with Hong Kong Dental Association Ltd the possibility of providing incentives to heighten their awareness of dental health and timely dental check-up. Young people of this age group usually have good dental health, but there may be developing problems that must be dealt with. If they are provided with the relevant knowledge which raises their awareness of dental health, problems such as tooth decay or toothaches may not emerge at an early stage when they grow up or grow old. Efforts will continue to be made in this regard, but the specific actions to be taken will only be decided after negotiating with members of the trade. We are determined to achieve good results in this regard.

PRESIDENT (in Cantonese): Third question.

Specification of Floor Areas of Flats in Land Sale Conditions

3. **MR WONG KWOK-KIN** (in Cantonese): *President, the first land lot allocated for "flats with limited floor areas" (that is, the minimum number of flats as well as the smallest and largest floor areas of flats being specified in the conditions of sale) was recently granted through tender to a developer at a price over \$2.4 billion. Given that market estimations are that the per-square-foot price of flats in the development project, which is located in Yuen Long, will reach \$6,000, quite a number of people in the sandwich class consider that they cannot afford those flats, hence the aforesaid land sale conditions will not help them acquire home ownership, and will on the contrary further push up the prices of small and medium-sized residential units. In this connection, will the Government inform this Council:*

- (a) *whether the policy objectives for the measure on allocating land for flats with limited floor areas include helping the sandwich class purchase their first home; if not, whether the authorities have clearly informed the public of the purpose of the measure; whether the authorities will reconsider constructing Home Ownership Scheme (HOS) flats because the measure fails to assist the sandwich class in acquiring home ownership, so as to complement the insufficient supply of affordable small and medium-sized flats on the market;*

- (b) *in considering the tender price of the land allocated for flats with limited floor areas, whether the authorities have taken into account that if the price of the successful bid is too high, it will not only fail to help curb the current high property prices, and may on the contrary further push up the prices of small and medium-sized residential units; if they have, what solutions the authorities have; if not, of the reasons for that; given that a number of urban sites allocated for flats with limited floor areas will soon be put on sale by tender, what ways the authorities have to prevent developers packaging small and medium-sized residential units as luxury flats for sale, aggravating the situation of such units being turned into luxurious ones; and*
- (c) *whether the authorities will review the sale conditions for land allocated for flats with limited floor areas as soon as possible; if they will, whether conditions such as "ceiling on the prices of flats" and "target buyers of flats" will be added to ensure that the supply of small and medium-sized residential units will increase, the sandwich class will be assisted in acquiring home ownership, as well as the upward spiral of property prices will be alleviated; if they will, whether the review will be completed before inviting tender for the next lot allocated for flats with limited floor areas; if not, of the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I am joined by the Secretary for Transport and Housing today in answering the questions from Members. I reply to the three parts of the question as follows:

- (a) In last year's 2010-2011 Budget Speech, the Financial Secretary announced for the first time that the Government was prepared to specify in the land sale conditions the minimum number of flats to be constructed and their size restrictions. The aim was to increase the supply of small and medium-sized flats in the market. The first residential site with flat size restrictions sold by tender is the development project in Yuen Long referred to in the question.

The only aim of selling sites with flat size restrictions is to increase the supply of small and medium-sized flats in the market. This policy objective was made clear in either the Financial Secretary's Budget Speech or the subsequent press conference when I presented the 2010-2011 Application List and the related press release. The Government has never said that the measure is also there to help the sandwich class acquire home ownership or provide affordable flats. In this year's 2011-2012 Budget Speech, the Financial Secretary announced again that subsequent to the tender of the site with flat size restrictions in Yuen Long, the Government would put up for sale in the coming year five residential sites which will be restricted through imposing similar land sale conditions for the construction of small and medium-sized flats. The aim remains to be one of increasing the supply of small and medium-sized flats. Thereafter, I made similar statements at the press conference on the 2011-2012 Land Sale Programme. Recently, the Lands Department has announced that the tender invitation for the two sites with flat size restrictions located at the junction of Bulkeley Street and Gillies Avenue South, Hung Hom, and Lee Kung Street, Hung Hom, respectively will commence on 29 April 2011.

As regards the policy on helping citizens acquire their home ownership, Members may make reference to the My Home Purchase (MHP) Plan to be implemented by the Government and the Hong Kong Housing Society (HKHS). The Development Bureau has assisted the Transport and Housing Bureau in earmarking sites in Tsing Yi, Sha Tin, Diamond Hill, Tai Po, Tuen Mun and other areas which could provide a total of some 5 000 flats. The first MHP Plan project in Tsing Yi will provide about 1 000 small and medium-sized flats. The project will invite applications in 2012 and be completed in 2014. The second MHP Plan project in Sha Tin will provide, depending on flat sizes, about 700 small and medium-sized flats, while the exact number of flats to be built is yet to be confirmed. I understand that the Transport and Housing Bureau will expedite the preparatory work for the MHP Plan as far as possible so that the MHP Plan can assist those with home purchase needs who can afford to buy a flat as soon as possible.

As to whether the Government will reconsider the construction of HOS flats, the Secretary for Transport and Housing has repeatedly explained the Government's position. Some members of the public have called for the resumption of the HOS. The underlying reason is their hope that this would provide greater opportunities for people to purchase affordable homes. The policy objective of the Government is to ensure a healthy and steady development of the property market. The Government announced a basket of short, medium and long-term measures in four areas to ensure the healthy and steady development of the property market. The four areas include increasing land supply to tackle the problem at source, combating speculative activities, enhancing the transparency of property transactions, and preventing excessive expansion in mortgage lending.

- (b) Just as my reply in part (a) above pointed out, the aim of selling sites with flat size restrictions is to increase the supply of small and medium-sized flats through specifying the minimum number of flats to be constructed and their sizes in the land sale conditions. The tender price is a response of the market to the tender. Flat prices are determined by developers having regard to the market situation at the time of flat sales.
- (c) The aim of selling sites with flat size restrictions is to increase the supply of small and medium-sized flats in the private property market. Therefore, we have not added conditions such as "ceiling on the prices of flats" and "target buyers of flats" in the land sale conditions. There was no such requirement concerning flat prices and target buyers for the Yuen Long site sold earlier. There will also be no such requirement for the two Hung Hom sites with flat size restrictions to be sold later.

MR WONG KWOK-KIN (in Cantonese): *President, the Government should in fact know that the developers will not let this site with flat size restrictions affect the development projects and land premium in the vicinity. They will surely raise the selling prices. If the price of flour is high, how can the price of bread be cheap?*

President, there is almost a unanimous demand in the community for the resumption of the HOS. If the Government would include conditions such as "ceiling on the prices of flats" and "target buyers of flats" in the land sale conditions of sites with flat size restrictions, it would be very similar to the HOS. This can practically achieve the effect of resuming the HOS. Why does the Government refuse to take one more step? I would like to ask the Secretary whether it is a case of the Government not hearing the strong demand of the community for resuming the HOS or not bothering⁽¹⁾ to respond to such demand?

PRESIDENT (in Cantonese): I do not quite understand the last sentence of your supplementary question. Which Secretary will reply? Secretary for Transport and Housing, please reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, allow me to answer first and the Secretary for Development will then supplement.

We fully understand the demand of the public in respect of home ownership. Therefore, the Secretary for Development has already mentioned in the main reply just now that we have in fact various short-, medium- and long-term measures and we are working in four different areas. Of course, our objective is that the market can provide some opportunities for the public to purchase affordable homes. At this stage, we are working in several areas, notably the four areas of increasing land supply, combating speculative activities, enhancing the transparency of property transactions and preventing excessive expansion in mortgage lending. We hope that by providing these opportunities within a certain period of time, the property market can achieve healthy and steady development.

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

(1) Mr WONG Kwok-kin has pronounced the Chinese expression "不'屑'(sit3)" (meaning not bothering) as "不'肖'(ciu3)" (meaning worthless) in Cantonese.

SECRETARY FOR DEVELOPMENT (in Cantonese): I only want to make one more point. We merely seek to increase the supply of small and medium-sized flats by means of land supply. Therefore, the tender price definitely reflects how the developers are viewing the market in that area. Therefore, it is the market price.

MR PAUL CHAN (in Cantonese): *My supplementary question is very simple. Given that the underlying spirit of providing "flats with limited floor areas" is to allow the public to purchase affordable homes and considering the rampant speculation in Hong Kong's property market, I would like to ask whether the Government will consider imposing an additional requirement that these "flats with limited floor areas" can only be sold to Hong Kong residents and not non-Hong Kong residents?*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): The Government has not considered adding any requirement in respect of target buyers in the land sale conditions. As I have said, the only objective of the entire policy on the selling of sites with flat size restrictions is to increase the supply of this type of flats in the market.

MR PAUL CHAN (in Cantonese): *President, will the Government initiate relevant studies in this regard?*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): In terms of land supply, we will ensure optimum development for each and every site. At present, we have not heard of any demand for a review of our land supply from this perspective. However, similar to the work we have done in other aspects of land supply, we will of course suitably respond to the needs of society. For example,

in view of the concerns in the community about the development of private universities and private hospitals, we will implement complementary measures in respect of land supply, so as to increase the number of private universities and private hospitals in Hong Kong.

MR LEE WING-TAT (in Cantonese): *President, the idea of these "flats with limited floor areas" is just a "gimmick" — I better not use this word — devised by the authorities to avoid resolving the fundamental problem through a proper means. Nonetheless, the selling price of these "diamond honeycombs" will definitely be very high in future, amounting to \$7,000 or \$8,000 per square foot. Members of the working class who purchase these flats as their homes are no different from worker bees.*

What is my supplementary question? If the Government is only concerned about the supply of this type of flats, rather than the needs of users, I think its consideration is not thorough enough. The existing land sale conditions have already specified how the sites are to be developed. Mr Paul CHAN and I are suggesting that if we want speculators to stay away from the "flats with limited floor areas", the Government should specify in the sale conditions for the several so-called sites with flat size restrictions that the flats can only be sold to Hong Kong residents. While nothing has been done with regard to the speculation of luxury properties, there are no reasons why we should allow the speculation of flats about 500 sq ft or 600 sq ft in Yuen Long, and allow Mainlanders to engage in these speculative activities

PRESIDENT (in Cantonese): Mr LEE, you have expressed a lot of views. Please ask your supplementary question now.

MR LEE WING-TAT (in Cantonese): *My question is whether the authorities will impose this condition for the several sites to be put up for sale in future?*

PRESIDENT (in Cantonese): You have repeated the supplementary question of Mr Paul CHAN. Let me see which Secretary will answer the question.

SECRETARY FOR DEVELOPMENT (in Cantonese): Regarding Mr LEE's concern about speculative activities, I have already stated in the main reply that the Government has implemented a series of measures in four areas to address the current problems of the property market, including measures to combat speculative activities. However, these measures do not involve tackling the problems from the perspective of land supply.

MS STARRY LEE (in Cantonese): *President, the Secretary has said time and again just now that the Government has adopted a "four-pronged approach" to tackle the problem of high property prices. However, the problem is so urgent that the public cannot wait to see the "four-pronged approach" as mentioned by the Secretary to take effect so that they can afford to buy their own flats.*

In its reply to the questions raised by Members, the Government has pointed out that it still relies on the MHP Plan to help the people achieve home ownership. In fact, it is not difficult to turn the MHP Plan into the HOS. Currently, the public can "rent-and-buy" the MHP Plan flats at market price. If the Government can sell the MHP Plan flats at a discount rate so as to give the people a choice between renting and buying the flats, it can achieve both the objectives of enabling the people to purchase the flats at a discount rate and helping the people achieve home ownership. Will the authorities consider this option?

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I would like to point out that the Member is right in saying just now that the "four-pronged approach" is targeting the problem at source, because we must ultimately work on the supply of flats. Our stance is that any form of subsidized home ownership will only serve as a buffer because we must ultimately provide the people with the opportunities to purchase affordable homes. Therefore, we consider that the problem can be tackled at source by working on the supply of flats.

In this connection, our policy position is to firstly assist those people with the ability to pay mortgages in the long run to realize their home purchase plan. Our approach is to provide them with stability over a certain period of time so that they can save up for down payment. We will also assist them in terms of down payment by providing a purchase subsidy equivalent to half of the market rental they have paid and this subsidy can be used as part of the down payment. Regarding the Member's suggestion as to whether we can further refine the relevant terms and conditions, I have taken note of the view. We will continue to work with the HKHS and examine whether the MHP Plan can be refined in this direction so that it can better meet the needs of the people.

MR FREDERICK FUNG (in Cantonese): *President, the current market estimation is that the flats will be sold for about \$6,000 per square foot. This is only a general estimation. If the flats become the target of speculation, the selling price will definitely be higher. For example, the selling price of a 400-sq-ft flat will be about \$2.4 million, and a 600-sq-ft flat will be about \$3.6 million. Assuming a 20-year mortgage repayment period, the amount of monthly repayment will be around \$15,000 to \$25,000. If a person uses one third of his income as housing expenses, his monthly income must be in the range of \$50,000 to \$70,000 before he can afford to buy these flats. If he spends half of his income on housing, he must be earning about \$30,000 to \$50,000 per month.*

President, obviously, even without the factor of speculation, this price level is already out of the reach of ordinary citizens because those who earn a monthly income of \$30,000 to \$70,000 would be within the top 30% highest income households in Hong Kong. Given that the flats are located in Yuen Long and considering the transport expenses, the price of these flats is indeed quite frightening even without the factor of speculation.

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

MR FREDERICK FUNG (in Cantonese): *I will proceed to ask my supplementary question. (Laughter) Here is my supplementary question. While housing is a commodity, it is also the basic need of the people. But obviously,*

given the imbalance between supply and demand in the housing market, there is no way to address the housing problem of the people. When addressing the problem of the housing market and the basic need of the people, is the Government only concerned about the market? The Government has only talked about market price and market considerations in several paragraphs of the main reply. Why has the Government not considered the basic need of the people so as to allow the people of Hong Kong acquire home ownership?

PRESIDENT (in Cantonese): Which Secretary will reply?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we are in fact considering the ladders of housing and home ownership at the same time. Mr Frederick FUNG is right in saying that we should not only be concerned about the market. Of course, the public rental housing (PRH) policy is an important foundation. Therefore, we have recently increased the income and asset limits of PRH applicants. In particular, the income limit has been increased by 15%. As a result, an additional 25 000 or so households will become eligible for PRH. As the whole ladder starts from PRH, we must assist the people who have such a need.

Of course, in respect of the private residential property market, the problem must be tackled at source by increasing supply. In the meantime, we also have subsidized housing as the buffer. We need to closely monitor the overall situation. However, home ownership is a very important decision in itself. The Financial Secretary has also reminded the public time and again that the external environment is still fraught with uncertainties, particularly in terms of interest rates, economic cycles, and so on. Therefore, the public must consider carefully whether they want to commit on home ownership at this stage. However, generally speaking, as I have already explained just now, we have various short-term, medium-term and long-term measures to monitor the overall situation.

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

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

MR FREDERICK FUNG (in Cantonese): *I asked the Secretary that as she has mentioned in both paragraphs 1 and 3 of the main reply that*

PRESIDENT (in Cantonese): Please repeat concisely the part which you think has not been answered by the Secretary.

MR FREDERICK FUNG (in Cantonese): *I asked whether the Government has only considered the market without considering the basic need of the people. I am talking about the sale of land, that is, this site where the flats will be sold for \$6,000 per square foot.*

PRESIDENT (in Cantonese): Mr FUNG, you are in fact making a criticism and asking the Government to respond. I think the Secretary has already given a reply.

MR RONNY TONG (in Cantonese): *President, many Honourable colleagues have told the Government on various occasions that this is in fact a problem with demand and supply. I only want to ask a very simple supplementary question. Regarding the so-called "flats with size restrictions", will the Government consider imposing a condition on sale period, that is, the developer is required to sell the flats within a specified period after completion so as to ensure competitiveness in the market?*

PRESIDENT (in Cantonese): Which Secretary will reply?

SECRETARY FOR DEVELOPMENT (in Cantonese): We do not have such an arrangement at present. I think we cannot easily give a positive response to the suggestion made by Mr Ronny TONG because his suggestion is tantamount to

restricting the transaction of certain commodities or properties in a free economy market. Generally speaking, we do not have any such view. However, as I have mentioned on previous occasions, such as when responding to Miss Tanya CHAN, we have in place a monitoring system to prevent developers from land hoarding after acquisition. We do so through the Building Covenant which specifies that the developer must complete the construction of a site within a certain period after acquisition so as to provide the flats for sale.

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

MR RONNY TONG (in Cantonese): *Given that the Government has acknowledged that there are provisions to specify the time limit of land development,*

PRESIDENT (in Cantonese): What is your supplementary question just now?

MR RONNY TONG (in Cantonese): *..... why a time limit on the sale of flats cannot be imposed? The rationale behind these two restrictions is the same.*

PRESIDENT (in Cantonese): You asked the Secretary about the Government's policy. But after the Secretary gave her reply, you questioned why the relevant policy could not be changed. Let me see if the Secretary has anything to add.

SECRETARY FOR DEVELOPMENT (in Cantonese): I have nothing to add.

MR IP WAI-MING (in Cantonese): *Many Honourable colleagues have put the same question to the Government. The two Secretaries and the Financial Secretary are here in the Chamber. We all know that in Hong Kong, the capital involved in property transactions mostly comes from overseas and the flats are not purchased by local residents. Yesterday, a wealthy property developer said if a person could afford to pay the 30% or 40% down payment, it was quite*

alright to acquire home ownership now. Honestly, it is something that even my mother knows about. But how many people can really afford to pay the 30% or 40% down payment? Therefore, many colleagues have asked just now why

PRESIDENT (in Cantonese): Mr IP, you need not repeat the questions raised by other colleagues. Please ask your own supplementary question.

MR IP WAI-MING (in Cantonese): *I am going to ask my supplementary question. Why does the Government not restrict the target buyers of these flats to local residents? I would like to know the rationale behind such a decision of the Government. Why does the Government not construct some flats that would only be sold to local residents? The Government only stresses the need to increase supply all the time. Is the Government waiting for "a change of fortune" that the property market will make its own adjustments?*

PRESIDENT (in Cantonese): Which Secretary will reply?

SECRETARY FOR DEVELOPMENT (in Cantonese): As I have said in the main reply and as the Secretary for Transport and Housing has reiterated, we are now tackling the problem of the property market through various long-, medium- and short-term measures in four areas. I am afraid that for the time being, these measures do not include the special measure which Mr IP would like to see.

MR IP WAI-MING (in Cantonese): *I ask her what the rationale is. Why does the Government not construct some flats that would only be sold to local residents? What is the rationale? I am not referring to the short-, medium- and long-term measures.*

PRESIDENT (in Cantonese): Mr IP wants to know the rationale. Which Secretary will reply? Secretary for Transport and Housing, please reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, if a requirement is made to restrict the selling of certain flats to certain targets in the market, it will deviate from our existing policy, as well as the principles of free economy and free flow of capital into and out of Hong Kong. Therefore, if such measures were to be considered, it cannot be simply done through the imposition of certain terms in the land grant conditions because some very fundamental issues are involved. Therefore, we think that this matter must be considered and handled very cautiously.

PRESIDENT (in Cantonese): This Council has already spent more than 22 minutes 30 seconds on this question. Fourth question.

Public Finance Management

4. **MR JAMES TO** (in Cantonese): *President, the Government has indicated that it needs to plan the annual public expenditure based on the principle of prudent financial management. In the 2011-2012 Budget, the Government proposed to spend \$24 billion for making a one-off injection of \$6,000 into each Mandatory Provident Fund (MPF) Scheme account, but a week later, it has instead proposed using \$37 billion for disbursing HK\$6,000 each to all Hong Kong permanent identity card holders aged 18 or above, incurring an additional expenditure of \$13 billion. Furthermore, the new Work Incentive Transport Subsidy (WITS) Scheme announced by the authorities in December last year will incur an estimated expenditure of \$4,805 million for a period of three years, but some people who used to benefit under the former scheme will no longer be eligible to apply for subsidy under the new scheme as more stringent eligibility criteria have been introduced. In this connection, will the Government inform this Council:*

- (a) *of the Government's existing financial management philosophy, and whether it has given up the principle of prudent financial management;*
- (b) *why no eligibility criteria such as employment situation, household income and means test are stipulated in the aforesaid proposal of cash disbursement while stringent requirements including minimum*

working hours, household income and asset ceilings are specified in the WITS Scheme; whether it has assessed if that situation shows that there are contradictions in the Government's financial management policy; if it has assessed, of the outcome; and

- (c) *as it has been reported that the Government's proposal to disburse cash only to permanent residents is unfair to new arrivals who have not yet resided in Hong Kong for seven years and has aroused strong dissatisfaction among the public, whether the Government has evaluated the impact of the proposal on people from various sectors and the community before putting it forward?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as always, the Government manages public finances in accordance with the principle of prudent financial management, which is in line with the stipulation in Article 107 of the Basic Law that the Hong Kong Special Administrative Region (SAR) shall follow the principle of keeping the expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product. Certain criteria stated in the appendices of the Budget also reflect the above principle. This principle of prudent financial management is put into practice having regard to the policy objectives of individual financial proposals and relevant considerations.

The measures raised in the question have their own specific policy objectives and backgrounds, and should not be compared directly. The WITS Scheme aims at reducing the burden of travelling expenses borne by the working poor and encouraging them to stay in employment. Since the Scheme is a recurrent measure, we must consider whether it is sustainable, and ensure the allocation of limited public resources to those genuinely in need. This factor is reflected in the eligibility criteria for the Scheme.

The injection of funds into MPF accounts proposed in the Budget and the proposal of disbursing \$6,000 each to all eligible citizens announced later are entirely different from the WITS Scheme in terms of policy objectives, concepts and backgrounds.

Given the far-more-than-expected revenue for 2010-2011, the estimated sound position of our finance over the medium term and healthy levels of our fiscal reserves, we consider that it is unnecessary to transfer all the unexpected revenues to reserves. As such, apart from measures to alleviate the inflationary pressure felt by our people, which include waiving rates, granting electricity charge subsidy and increasing allocation for food assistance service, we propose in the Budget to invest in the future, through initiatives such as setting up a \$7 billion Elite Athletes Development Fund, establishing a \$2.5 billion Self-financing Post-secondary Education Fund and making an injection into MPF accounts.

The MPF Scheme is currently one of the three pillars of retirement protection in Hong Kong. Under the framework of the Mandatory Provident Fund Schemes Ordinance, members of the public are required to make contributions to prepare for retirement life. It is proper for the Government, when financial conditions allow, to allocate public funds to assist the public in making a better preparation for their retirement. In so doing, such a retirement protection scheme can be enhanced. This is also an investment for the future of the community as a whole.

During the Budget consultation period, some people suggested that the Government should leave wealth with the people in the light of its current fiscal position. In drawing up the Budget, we increase the recurrent expenditure on such areas as education, welfare and health to improve people's livelihood. In addition, we propose to inject funds into MPF accounts to assist more citizens in preparing for retirement through an existing mechanism. This also serves the purpose of leaving wealth with the people. Given the above considerations, the injection proposal does not come with any means test requirement.

In terms of concepts and backgrounds, the proposed disbursement of \$6,000 each to all Hong Kong permanent identity card holders aged 18 or above is much the same as the proposed injection into MPF accounts. Both are intended for leaving wealth with the people. What makes the difference is that the sum of \$6,000 is to be given to people for disposal at their own will, rather than for use as reserves for future. Having regard to their own will, people may withdraw the sum upfront or choose to defer withdrawal to accumulate "savings bonus". We respond to the public's views after the announcement of the Budget by replacing the proposed injection into MPF accounts with this proposal. This

adjustment retains the original intention of leaving wealth with the public. It is just an alternative proposed in response to public needs.

Despite consensus in the community that we should leave wealth with the people and help the disadvantaged, views are diverse as to how public resources should be allocated in practice. There are objections even against one-off measures such as providing an extra allowance to Comprehensive Social Security Assistance, Old Age Allowance and Disability Allowance recipients or paying rent for public housing tenants. It is indeed difficult to achieve absolute consensus in such a diversified society as Hong Kong.

Likewise, citizens take different views on our proposal to give a sum of \$6,000 each to all Hong Kong permanent identity card holders aged 18 or above. Many of them welcome this proposal, but some reckon that it should be extended to certain groups of non-permanent residents or other age groups. We are aware that some of the views directed against new arrivals are both unfair and unwarranted.

According to Article 24 of the Basic Law and Hong Kong legislation, residents of the SAR shall include permanent residents and non-permanent residents. It is estimated that there are about 6.1 million and 1.1 million people aged 18 or above who are holders of permanent identity cards and non-permanent identity cards respectively. Holders of non-permanent identity cards comprise different groups of people, such as new arrivals, imported labour, foreign domestic helpers and others who come to Hong Kong for work or study, and so on. Extending the proposal to non-permanent residents may not fit in with the objective to leave wealth with the people. Under Hong Kong law, a person attains full age on attaining the age of 18 years. Therefore, we propose that only Hong Kong permanent identity card holders aged 18 or above would be given a sum of \$6,000. This is in line with the aim of leaving wealth with the people, and is a reasonable arrangement.

MR JAMES TO (in Cantonese): *President, the crux of my question is about the saying of the Government to leave wealth with the people. Let us look about at the sequence of events, in December, the Government already knew that there would be an enormous amount of revenue. At that time, the low-income people were desperately in need of transport subsidies to sustain their lives. They did*

not want a lot of money, they just needed some money to sustain their lives. However, the Government had been so mean and stingy, imposing various restrictions and extremely stringent requirements. Yet, a few months later, the Government made an abrupt volte-face, stating it would leave wealth with the people.

So, may I ask the Government what this so-called prudent financial management is all about? The public has pressing needs and long-term needs, yet the Government has not addressed their problems. All out of the blue, it said that it would leave wealth with the people in one go. Should the Government give priority to addressing pressing needs of the public, or was the Government being cornered that it had to leave wealth with the people in one go? The public have not requested the Government to leave wealth to them in one go, instead they want long-term solutions to these pressing problems. If so, why did the Government impose such stringent application requirements on the WITS in December?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as I pointed out in the main reply earlier, policies and measures adopted by the Government have their own specific policy objectives, so measure A and measure B can hardly be mentioned in the same breath or compared directly. In general, such comparison is meaningless.

Regarding the WITS Scheme, I would like to point out that the Chief Executive announced the introduction of the Scheme in the 2010-2011 Policy Address. The policy objective of the Scheme is to subsidize all eligible employees from low-income households to meet part of their travelling expenses for commuting to and from work, so as to alleviate their burden and encourage them to stay in employment. In the course of discussion, the Government had listened to the views of many Members and the comments raised during discussions in society. The Scheme then introduced can reflect the aforesaid policy objective and provide subsidies to the public in need. I would like to stress that it is a separate issue with our present discussion on the scheme to leave wealth with the people.

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

MR JAMES TO (in Cantonese): *Yes, President. My supplementary question is straightforward. I said that the WITS was desperately needed by individuals*

PRESIDENT (in Cantonese): What is your supplementary question?

MR JAMES TO (in Cantonese): *..... however, handing out money is a one-off measure to leave wealth with the people. I asked the Government whether it should first address those pressing needs by imposing less stringent requirements, for the amount needed to be spent to leave wealth with the people would be far more than the expenditure required for addressing those pressing needs.*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I would like to add one point only, that is, different people will benefit from the various policies implemented by the Government. Certainly, we will give regard to the needs of different groups of people, the aspiration of Members on recurrent expenditure and the way to achieve the policy objectives, and so on. This is different from the concept of leaving wealth with the people.

MR WONG YUK-MAN (in Cantonese): *President, I surely welcome the Government's disbursement of \$6,000 in cash. However, concerning this question from Mr James TO, I think there is something wrong with the reply of the Secretary. For instance, he said "in terms of concepts and backgrounds, the proposed disbursement of \$6,000 each to all Hong Kong permanent identity card holders aged 18 or above is much the same as the proposed injection into MPF accounts." I think the answer is utterly irrelevant, for the two concepts are*

completely different. In 2009, when the Government indicated its intention to inject \$6,000 to the MPF accounts of people earning less than \$10,000, we already commented that the measure was impracticable and the Government had been sharply rebuked. However, the Government failed to learn a lesson. The present problem is that the Government firstly made a mistake and then it made a greater concession. Yet, it does not have to undertake any responsibilities. It simply said that since the public asked for cash handouts and the two measures were much the same, it would now disburse \$6,000 in cash. Even in giving cash handouts, the Hong Kong Government handles it badly when compared with other places. Hong Kong may draw reference from the case of Macao

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

MR WONG YUK-MAN (in Cantonese): *..... they have given cash handouts for four to five times. How will it arouse the concern of inequality rather than scarcity?*

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

MR WONG YUK-MAN (in Cantonese): *My supplementary question is about the previous proposal of the Government in injecting \$6,000 into the MPF accounts, claimable only when people reach the age of 65. This policy has proved to be wrong. However, the Government adopted the same approach this time, and after it had been forced by others a number of times, it made a U turn and accepted our proposal. At the beginning, we put forth the proposal on disbursement of cash to the Government*

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

MR WONG YUK-MAN (in Cantonese): *..... despite the 180 degree turn, the Government has not given any explanation. There is no explanation at all, and*

it gives the far-fetched excuse that the two are much the same. The concepts of the two measures are different, one is handing out money

PRESIDENT (in Cantonese): Mr WONG, stop giving your views and state your supplementary question direct.

MR WONG YUK-MAN (in Cantonese): *My supplementary question is: Should the Secretary apologize to the public in respect of the unpredictable changes in policy, which causes bankruptcy of the Government's credibility? President, if you force me to put forth a question*

PRESIDENT (in Cantonese): Mr WONG, it is now question time, which is a time for Members to ask questions. If you have already stated your supplementary question, please be seated.

MR WONG YUK-MAN (in Cantonese): *I have put forth the supplementary question, you may now ask him to reply. Will he apologize, or will he step down*

PRESIDENT (in Cantonese): Please be seated.

MR WONG YUK-MAN (in Cantonese): *..... asking him to step down may seem too extreme. I do not like to ask people to step down these days, so I will ask him to apologize.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I surely heard the remarks of Mr WONG Yuk-man. Members may have different views on how we should leave wealth with the people, it is understandable. However, in reality, be it the injection of funds into MPF accounts or the disbursement of \$6,000, they are measures to leave wealth with the people, which are much the same.

Regarding the change in policy, the Financial Secretary has pointed out repeatedly that he made the change in response to the voices of the public. The public has voiced their hope of enjoying higher autonomy in determining the use of the money. We make the change in response to these views expressed. In future, the Government will continue to listen humbly to the voices of the public in handling the Budget.

MR PAUL CHAN (in Cantonese): *President, prudent financial management includes future planning. As Members are aware, the Government has pointed out repeatedly that in 2030, the ageing problem will be so serious that one fourth of the population in Hong Kong will be elderly people. In the face of the ageing population problem, we have to deal with two major aspects, namely, medical and healthcare services and retirement protection. In respect of medical and healthcare services, the Government has put in efforts in the past, which includes earmarking \$50 billion as a start-up for healthcare financing reform in the previous Budget. My supplementary question focuses on retirement protection. Since studies are now conducted by the Central Policy Unit, why the Government does not earmark a sum in the Budget as a reserve for meeting needs arisen from the implementation of a universal retirement protection scheme in future?*

PRESIDENT (in Cantonese): Mr CHAN, how is your supplementary question related to the main question?

MR PAUL CHAN (in Cantonese): *It is related to the main question for it is about prudent financial management. President, prudent financial management is not simply about leaving wealth with the people, it involves planning for future and saving for a rainy day.*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I thank Mr CHAN for his supplementary question. To leave wealth with the people is one of the objectives of this policy, which is welcomed by the public. Regarding future planning and saving for a rainy day, this is definitely the obligations of the Government. In this respect, various Policy Bureaux and the Government as a whole will make an effort to address

these issues. As regards the question raised by Member whether funds would be earmarked in the Budget for addressing some long-term problems, President, for long-term problems, before a proposal, direction and consensus are reached, this is surely open for discussion.

MR LEUNG KWOK-HUNG (in Cantonese): *President, he has been much the same in confusing right and wrong. His approach is consistent. What do I think about the present Government? Why has it been apt to change? Since it is serving the bigwigs and robbing the poor for the wealthy, its spirit has been taken apart and it acts like a zombie.*

I would like to ask the Secretary about the WITS Scheme. The Secretary said in the second paragraph of the main reply that the objective of the Scheme was to subsidize the travelling expenses borne by the working poor. However, it turns out that people working in neighbouring districts can easily obtain the subsidies. It is utterly mental disorder. The original purpose of the Scheme has been completely defeated.

Then, I come to the second policy. The injection of funds into MPF accounts is to leave wealth with the people in employment. This point is crystal clear, for only people with MPF accounts will receive that sum, am I right? This is the initial proposal. But now, this is not the case. The cash handouts will be disbursed to all. How can this be regarded as being much the same? It is definitely not the case. These measures adopted by the Government — I said earlier that this is a four-pronged approach. Yes, this is surely a four-pronged approach, but it has no merit

PRESIDENT (in Cantonese): Mr LEUNG, so far, you have merely been raising criticisms against the Government. Please state your supplementary question directly.

MR LEUNG KWOK-HUNG (in Cantonese): *..... no. I will criticize the Government no more, for I know it is futile to criticize the Government*

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

MR LEUNG KWOK-HUNG (in Cantonese): *I will criticize LI Ka-shing. He said that "buying flats is an anti-inflation measure", his remark is tantamount to asking the poverty-stricken in hunger to take meat porridge.*

Now, I would like to ask the Secretary one simple question. The Secretary said there were two types of Hong Kong residents, one was permanent Hong Kong residents and the other one was non-permanent Hong Kong residents, and this was in line with the provisions of the Basic Law. Now, cash will be disbursed to permanent Hong Kong residents but not non-permanent residents. However, Hong Kong residents are only taken in a broad sense. Your present approach will violate Article 39 of the Basic Law, which stipulates that the welfare of Hong Kong residents shall not be restricted unless as prescribed by law. Your approach is not a restriction prescribed by law, for it is a one-off policy. Will this approach be challenged through a judicial review?

PRESIDENT (in Cantonese): You have put forth your supplementary question. Please let the Secretary reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, in considering leaving wealth with the people, we have given regard to the acceptability of this policy objective to society. Regarding Hong Kong residents, in actuality, there are only two types under the Basic Law, as I have pointed out earlier, namely permanent and non-permanent residents. I pointed out earlier that there were about 6.1 million permanent residents and about 1.1 million non-permanent residents. Non-permanent residents comprise different groups of people, including new arrivals, imported labour, foreign domestic helpers and others who come to Hong Kong for work or study, making up a total of 1.1 million. In respect of the concept of leaving wealth with the people, I think the inclusion of non-permanent residents may not necessarily fit in with our objective. We all understand that the objective of the present approach is to leave wealth with the people. Hence, we apply the status of permanent residents as a criterion for differentiation.

Moreover, there are opinions in society on ways to render assistance to the needy. In this connection, the Financial Secretary has proposed in the amendment to the Budget the use of the Community Care Fund in helping non-permanent residents, including new arrivals, in need of help. I think the two are different. After implementing the measure to leave wealth with the people this time, we would consider other measures to help other people.

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

MR LEUNG KWOK-HUNG (in Cantonese): *President, he has not answered my question, for he does not understand my supplementary question. I will now read out Article 39 of the Basic Law: The International Covenant on Civil and Political Rights*

PRESIDENT (in Cantonese): Mr LEUNG, since you have already spoken

MR LEUNG KWOK-HUNG (in Cantonese): *..... I will cite a simple example. President, I only remind him that Article 39 only stipulates Hong Kong residents but not permanent and non-permanent residents*

PRESIDENT (in Cantonese): What is your supplementary question?

MR LEUNG KWOK-HUNG (in Cantonese): *..... under Article 24, Hong Kong residents are divided into two groups, that means*

PRESIDENT (in Cantonese): Mr LEUNG, alright, I believe the Secretary knows it clearly. Do you mean to ask the Secretary whether the present policy will contravene the provision in Article 39 of the Basic Law?

MR LEUNG KWOK-HUNG (in Cantonese): *Yes, but he has not answered this. He only talked about leaving wealth with the people, leaving wealth with the people, leaving wealth with the people*

PRESIDENT (in Cantonese): Please let the Secretary reply.

MR LEUNG KWOK-HUNG (in Cantonese): *..... in what way can it leave wealth with the people?*

PRESIDENT (in Cantonese): Mr LEUNG, please be seated and let the Secretary reply. Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I think my earlier reply has already provided an answer to this supplementary question. Our current approach will achieve the objective to leave wealth with the people. *(Laughter)*

PRESIDENT (in Cantonese): This Council has spent 22 minutes and 30 seconds on this question. The fifth question.

Measures to Curb Rising Property Prices

5. **MR RONNY TONG** (in Cantonese): *President, at the end of last year, the Government introduced measures to curb speculations on residential properties, including an increase in the stamp duty for a conveyance on sale of property valued at more than \$20 million, and the levy of a Special Stamp Duty on a conveyance on sale of residential property resold within a short term. Notwithstanding this, the survey report published by a consultancy in the United States in January this year indicates that the residential property prices in Hong Kong are the highest in the world, and the median property price is equivalent to 11.4 times the median annual household income. In addition, some market data reveal that the number of private residential property transactions has not decreased recently, nor have the prices of luxurious residential units or more*

affordable flats dropped. In this connection, will the Government inform this Council:

- (a) whether the Government has established a mechanism for measuring or assessing the housing needs and affordability of the public; if it has, since when such mechanism has come into operation, how it operates, and who is responsible for its operation; if not, of the reasons for that;*
- (b) of the respective numbers of residential property transactions valued at \$2 million or below, \$2.01 million to \$3.5 million, \$3.51 million to \$5 million, \$5.01 million to \$10 million, \$10.01 million to \$30 million, \$30.01 million to \$50 million, and more than \$50 million in each of the years since 1997, as well as the respective median personal income each year; and*
- (c) as it has been reported recently that the residential properties in Hong Kong are the most expensive in Asia and such a situation will last for 20 years, what effective measures the Government will take to tackle the problem that it is increasingly difficult for the young generation to acquire home ownership; if it will not formulate any measure, of the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President, we note that various local and overseas organizations have conducted surveys on the flat prices and home purchase affordability of people in Hong Kong and various other places. Different surveys adopted different data and assumptions, and the assumptions may not have taken into account the specific situations of individual places. For example, these surveys do not appear to have taken into account the important factors that public rental housing (PRH) has addressed the basic housing need of 30% of the population in Hong Kong, and that our mortgage market is diversified and well developed. In fact, different economies or cities have different characteristics (such as resources, expenditure pattern, saving rate, population density and social system), and are at different stages of development. We have to be very careful when making direct comparison on home purchase affordability in terms of flat prices and the income of the people in different economies or cities.

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

(a) and (c)

On the overall demand for housing, our experience revealed that the hard figures estimated by any model could not accurately quantify demand, in particular demand in the private residential market which is affected by many factors, including changes in socio-economic environment such as market sentiment, liquidity and interest rate which would have an impact on demand. It is very likely that any estimation will be very different from the actual situation. Therefore, we have not worked out any fixed target on housing demand on the basis of any model.

The Rating and Valuation Department (RVD) works out the home purchase affordability using the Mortgage-to-Income Ratio (MIR), which is based on the assumptions that private households with median household income buy a flat of 45 sq m, take out a 20-year mortgage loan at a 70% loan-to-value ratio and at an average mortgage rate. The MIR in the fourth quarter of 2010 was 44.5%, and was lower than the annual average of 51% for the period from 1990 to 2009.

The Government has been monitoring developments in the private residential property market closely and remains vigilant on the risks of a property bubble. In this respect, the Government has repeatedly reminded the public to carefully assess their risks and their own financial position when making a home purchase decision. In February, April, August, October and November 2010, the Government introduced various measures in four areas to ensure the healthy and stable development of the property market. The four areas include increasing land supply to tackle the problem at source, combating speculative activities, enhancing the transparency of property transactions, and preventing excessive expansion in mortgage lending.

To tackle the supply problem at source, the Government has set the target of making available land for an average of some 20 000 private residential flats per annum in the next 10 years. It is

estimated that the housing land may reach a total of about 35 000 units in the coming year. The MTR Corporation Limited (MTRCL) is going to be an important source of supply of sites for residential developments. The sites at Nam Cheong, Tsuen Wan, Tai Wai, Tin Shui Wai and Tseung Kwan O are expected to provide an estimated 14 600 units. Also, the Government has decided to sell five residential sites by tender this year, and will impose restrictions on the minimum flat number and flat size in the conditions of sale. The objective is to increase the supply of small and medium-sized flats. These sites will be able to provide about 3 000 small and medium-sized units.

On PRH, the Government is committed to ensuring an adequate supply of land to produce on average about 15 000 PRH flats each year, and maintaining the target average waiting time (AWT) for general Waiting List applicants at about three years. In addition, the Government's policy is to provide PRH to low-income families who cannot afford private rental accommodation. The Hong Kong Housing Authority has already endorsed the Waiting List income and asset limits for 2011-2012. When compared with that in 2010-2011, the income and asset limits have increased by an average of 15.6% and 3.3% respectively. It is estimated that under the new limits, about 131 100 non-owner occupied households in the private sector will be eligible for PRH, representing an increase of about 25 400 households over that of 2010-2011. We will keep in view the demand situation, and roll forward and suitably adjust the Public Housing Construction Programme to maintain the target of AWT at about three years.

President, the Government recognizes the importance of a stable home, and is fully aware of the people's wish to improve their quality of life and move up the social ladder through home ownership. Any form of subsidized home ownership will, however, only serve as a buffer. In the long run, we should increase land supply to tackle the problem at source to provide opportunities for affordable homes. In the face of short-term market fluctuations, the Government considers it appropriate to provide relief measures to potential home buyers with affordability in the long term to give them time to save up to realize their home purchase plan.

The Government will, in collaboration with the Hong Kong Housing Society, introduce My Home Purchase (MHP) Plan premised on the concept of "rent-and-buy". The MHP Plan will effectively target at households with the ability to pay mortgages in the long run, but who cannot immediately afford the down payment in the face of short-term property price fluctuations, and allow such potential home buyers some time to save up for their home purchase. Also, the MHP Plan helps increase the supply of "no-frills" small and medium-sized private residential flats.

The MHP Plan, together with the Government's commitment to address the housing needs of those low-income households who cannot afford private rental housing through the provision of PRH, measures introduced to increase land supply, the revitalization measures for the Home Ownership Scheme (HOS) Secondary Market Scheme, and efforts to enhance the transparency and fairness of first-hand sales in the private sector, will increase choices to meet the different housing needs of the community in a sustainable manner.

Overall, the Government aims to provide people that have different levels of affordability with various housing options for purchase or rental. The first level is PRH for low-income families who cannot afford private rental accommodation. Above PRH is the second-hand HOS flats in the HOS Secondary Market where HOS owners may sell their flats to Green Form certificate holders without paying premium. The next levels are flats of lower prices (including HOS flats sold in the open market after payment of premium) in the private property market targeting the general public, and the MHP Plan flats. In the private property sector, residential flats at various market prices are also available in both the primary and secondary markets to satisfy the diverse demands of those who can afford private flats.

- (b) For part (b) of the question, with reference to the Member's request for the Administration to provide the number of Agreements for Sale and Purchase (ASPs) by consideration on a yearly basis from 1997 to the present and the median income of individuals in those years, the Land Registry's statistics on the yearly number of ASPs of private

residential flats by consideration are available from 2002 only. Also, the RVD works out the home purchase affordability on the basis of median household income rather than median income of individuals. The figures are set out at the Annex for Members' reference. Over the past nine years, there were on average about 53 000 transactions on private residential properties valued below \$2 million. In 2010, there were about 51 000 such transactions, which was similar to the annual average in the past nine years. This shows there is a stable supply of private residential properties valued below \$2 million.

Annex

Number of ASPs of private residential properties
per year and the median household income from 2002 to February 2011

Year	Median income of private household ⁽¹⁾	Number of ASPs of private residential properties				
		Less than \$2M ⁽²⁾	\$2M to less than \$3M ⁽²⁾	\$3M to less than \$5M ⁽²⁾	\$5M to less than \$10M ⁽²⁾	\$10M or above ⁽²⁾
2002	\$20,700	47 400	14 300	7 000	3 300	1 000
2003	\$20,260	50 600	10 400	5 200	4 100	1 300
2004	\$20,050	57 200	20 500	12 500	7 000	3 400
2005	\$20,330	56 100	18 500	16 700	7 800	4 300
2006	\$21,380	46 400	15 100	12 200	6 200	2 600
2007	\$22,620	65 900	21 400	18 500	11 100	6 700
2008	\$23,460	47 800	17 300	16 700	9 500	4 600
2009	\$22,680	53 700	21 800	22 200	10 700	6 700
2010	\$23,550	51 300	31 600	27 400	16 700	8 800
2011 ⁽³⁾	Not applicable	4 900	4 900	4 900	2 700	1 000

Notes:

- (1) The annual average of the median income of private households has excluded the seasonal factors.
- (2) The Land Registry categorizes the consideration in terms of less than \$2 million, \$2 million to less than \$3 million, \$3 million to less than \$5 million, \$5 million to less than \$10 million, and \$10 million or above.
- (3) Figures as at end-February 2011.

Sources: The RVD and the Land Registry.

MR RONNY TONG (in Cantonese): *President, I often hope that the Government can try to answer the question raised by Members. However, President, part (a) of my question asked the Government whether it has established a mechanism for measuring or assessing the housing needs and affordability of the public; if it has, since when such mechanism has come into operation, how it operates, and who is responsible for its operation; if not, of the reasons for that. President, it appears that the Government has not answered this part of the question at all. This is truly disappointing. Do we have to pursue the Government repeatedly for an answer or a written reply after asking every question? President, only parts (a) and (c) of the main reply answer to the question, and the Government mentioned in the reply that the RVD uses the MIR to work out the home purchase affordability. This is the only part which is more or less to the point.*

President, my question is, what did the Government mean by saying that the MIR in the fourth quarter of 2010 was 44.5% and was lower than the annual average of 51% in the past 20 years? Did it mean that only 44.5% of the households can keep up with the mortgage payment standard? What did it mean? Can it clarify this point? President, I really hope that public officers can make an effort to answer the crux of the question in their reply to Members' questions. She has not answered part (a) of the question at all.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, part (a) of the question asked the Government whether a mechanism has been established for measuring and assessing, first, the housing needs of the public; and second, their affordability. In parts (a) and (c) of the main reply we mentioned that if a mechanism is to be established, it will be difficult to use a certain model to assess people's housing needs. We pointed out that demand in the private residential market does not equate to the number of households alone, but rather, it is affected by many factors, such as the economic environment, liquidity and interest rate. There is thus no computer programme or model which can generate hard figures for accurate estimation.*

The second point of the question is whether the Government has assessed the home purchase affordability of the people. We use the MIR as the reference point, but it is not a definitive requirement indicating the proper ratio to be reached. We must consider the changes in demand and supply of the property

market as a whole. At this stage, we have provided some objective figures (the percentage change in the MIR in the fourth quarter of 2010 and in the past 20 years) for reference. We have also explained the assumptions we all along adopt, including the floor area of private flats, the average mortgage rate and the loan-to-value ratio. These are useful indicators of people's affordability that we have observed over a period of time. Hence, we have made an effort to directly answer the question in relation to these two points.

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

MR RONNY TONG (in Cantonese): *President, the crux of my supplementary question just now is that given that the current ratio is 44.5%, which is lower than the average figure of 51% in the past 20 years, does it indicate that people's ability to pay mortgage is lower now? What is the relationship between a lowered mortgage payment ability and home purchase affordability? President, she has not answered these questions because having mortgage payment ability does not mean that one can afford to purchase a flat.*

PRESIDENT (in Cantonese): Secretary, please answer Mr TONG's follow-up question.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, under the present situation, if a person takes out a 20-year mortgage loan at a 70% loan-to-value ratio, his affordability is certainly correlated to the property prices. As this is calculated by the median household income, we can then see the relationship between them. If property prices have risen to such an extent that the median household income cannot catch up with it, the percentage will increase.

The current ratio is 44.5% and we will closely monitor the situation. The situation in 1997 was very different from the current situation. The ratio then was over 50%, or almost reaching 70%. However, presently, we have introduced short, medium and long-term measures, as we have explained in the

main reply, to facilitate the healthy and stable development of the property market.

MR LEE WING-TAT (in Cantonese): *President, talking about affordability, the median household income of people in Hong Kong has been increasing very slowly, which has maintained at about \$23,000 in the past few years. We all know about this point. In the past, people used some 30% of their household income for mortgage payment, but now they have to use 44%. This indicates that many people cannot afford the mortgage payment.*

I have a question for the Secretary. Regarding the so-called Japanese model (that is, the mortgage loan is paid by two generations of a family) and the unique Hong Kong model (that is, the parents "chip in" for the down payment on behalf of their children), a model adopted by many friends of mine because their children cannot manage to save up \$1 million for the down payment of some old building apartment, I would like to ask the Secretary, who does not seem to show too much concern about this issue I have asked the question just now, now I wish to focus my question to the Secretary on this subject. In fact, many people from the Mainland are now attracted to buy properties, whether luxurious apartments or more affordable flats, in Hong Kong. Thus, may I ask whether the Transport and Housing Bureau has conducted any study on whether the housing needs we now talked about only include the needs of the 7 million people in Hong Kong? It has been said that the property market of Hong Kong is in fact a property market for the 200 million people in coastal China. Has the Secretary conducted any study on whether our housing supply can satisfy these external needs? As evidenced by the present situation, we hold that restrictions should be imposed in the conditions of sale of some residential properties, so that only locals, but not non-locals, can purchase these properties.

PRESIDENT (in Cantonese): Mr LEE, you have repeated the question you asked in another oral question.

MR LEE WING-TAT (in Cantonese): *President, I asked her whether a study has been conducted.*

PRESIDENT (in Cantonese): Secretary, has a study been conducted?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in the sale and purchase of a property, the buyer must first provide certain information, but as to whether his capital should be regarded as capital from the Mainland, we must be very careful in laying down the definition because many Mainlanders have now become Hong Kong citizens. How should we define a Hong Kong citizen and a Mainlander? We must handle this issue carefully.

Moreover, Mr LEE asked just now whether consideration would be given to imposing restrictions on property transactions. As we explained just now, it is more than just adding restrictions in the conditions of sale at every site tendering, it also involves fundamental economic principles such as the free flow of capital and freedom in investment. Hence, we must exercise great caution in handling such matters.

MR LEE WING-TAT (in Cantonese): *President, I did not ask her how to handle*

PRESIDENT (in Cantonese): You asked whether a study has been conducted.

MR LEE WING-TAT (in Cantonese): *..... I asked whether a study has been conducted. She should say yes if she has; no if she has not. If she has not conducted such a study, will she consider doing so?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we will monitor the development closely. I have also tried to explain just now that in terms of definition, how should we define whether the capital is from the Mainland, or the property is purchased by a Mainlander? It is because many Mainlanders have become Hong Kong immigrants; they are Hong Kong people. We will keep in view the overall development, but it is difficult to immediately and scientifically generate the statistics which Mr LEE wants.

MR IP KWOK-HIM (in Cantonese): *President, I note that the Secretary mentioned in the main reply that in the face of short-term market fluctuations, the Government considers it appropriate to provide relief measures to potential home buyers with affordability in the long term to give them time to save up to realize their home purchase plan. It thus launched the MHP Plan.*

In fact, in the question before last just now, Ms Starry LEE also asked whether That is, the MHP Plan is premised on the concept of "rent-and-buy". Can we enhance the concept and turn it into "rent-or-buy"? Does the Secretary agree that this is in line with helping these people with affordability in the long term to purchase a home? Can consideration be given to launching the MHP Plan in this mode? If the enhanced concept is adopted, will the Secretary duly roll out the MHP Plan as such?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, as I mentioned in part (c) of the main reply, we will take these views into consideration because I am aware of the views suggesting that we should optimize the conditions in this regard. However, we must also proceed with caution and see if any problems will stem from the addition of conditions. For instance, if the public are allowed to buy property at discounted prices, is it necessary to add a condition on the sale of the property? We will handle these issues carefully. Nevertheless, we do notice there are views urging us to optimize the MHP Plan. In this connection, we will look into the issue further in conjunction with the Hong Kong Housing Society.*

MR ALAN LEONG (in Cantonese): *President, in reply to parts (a) and (c) of Mr TONG's main question, the Secretary stated in the fourth paragraph under parts (a) and (c) of the main reply that the MTRCL is going to be an important source of supply of sites for residential developments. The Secretary also cited several sites in the reply, but I am not sure if the Secretary knows that recently, the price of residential units of a first-sale property in Tai Wai are as high as \$8,000 per sq ft. May I ask the Secretary whether she agrees that these properties will ultimately become commodity apartments, irrespective of how restrictions on the minimum flat number and flat size are laid down now? If the Secretary truly wants to supply non-commodity apartments, that is, "no-frills" residential flats, consideration must be given to immediately resuming the*

construction of HOS flats. May I ask the Secretary whether she agrees with my view? If she disagrees, I am afraid all those property developments will become "diamond toothpicks" because even residential units in Tai Wai are now selling at \$8,000 per sq ft.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as far as my understanding goes, some residential units adjacent to the West Rail I know that the Development Bureau is actively discussing with the MTRCL, which is the agent of the Government, on whether more small and medium-sized flats can be provided in those districts. In respect of future supply, part of the residential units will come from properties along the West Rail. There will be a considerable number of flats supplied. In addition, 3 000 small and medium-sized flats will be produced from the residential sites to be tendered with restrictions on flat size and minimum flat number. I hope Members would understand that after all, we need to work on the supply. In terms of the supply of land, whether it is the target of making available land for 20 000 private residential flats per annum in the future, the housing land estimated to be available for supplying 35 000 units in the coming year, the units to be launched in sites along the West Rail and other residential units by the MTRCL which we have just mentioned, or the efforts to impose restrictions on flat size and minimum flat number in the conditions of sale at land tendering, all these seek to drive to the same end.

We certainly understand public aspiration of home purchase. We will work hard and continue to listen to views in this regard. However, I wish to point out that land supply is fundamental to healthy development of the property market. We must get the work started. Ultimately, subsidized housing will only serve as a buffer. It may not necessarily solve the problem completely. We should indeed work on the supply. I believe Members are aware that we have spent much effort in this regard and I believe after some time our efforts will yield results.

PRESIDENT (in Cantonese): This Council has used almost 23 minutes on this question. Last question seeking an oral reply.

Impact of Recent Political Instability and Natural Disasters in Other Countries

6. **DR LAM TAI-FAI** (in Cantonese): *President, regarding the impact on the global and Hong Kong's economies caused by the continuous political instability in a number of countries in the Middle East and North Africa in recent months, as well as the onset of natural disasters of severe earthquakes and tsunami in Japan on the 11th of this month, will the Government inform this Council:*

- (a) *regarding the export and re-export trade involving export of goods to the aforesaid areas, whether the authorities had received, in the past three months, requests for assistance from local enterprises because they were unable to receive payments for goods, their clients refused to receive the goods delivered to them or rescinded orders, and so on; if they had, of the number of related cases and details; if not, whether they have planned to look into the relevant situations in depth;*
- (b) *given that Japan is the third largest trading partner of Hong Kong, whether the authorities have assessed the impact of the aforesaid natural disasters in Japan on Hong Kong's import and export trade, as well as the tourism and retail industries; if they have, of the details; if not, the reasons for that; and*
- (c) *whether the authorities have assessed the impact of the aforesaid incidents on the asset value of Hong Kong's Exchange Fund and on the financial market, and whether the authorities are prepared to introduce corresponding measures to assist small and medium enterprises (SMEs) in facing the possible impact brought by the aforesaid incidents?*

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

- (a) *In connection with the recent political instability in the Middle East and North Africa and the major earthquake in Japan, the Hong Kong*

Export Credit Insurance Corporation (ECIC) has not received any reports or requests for assistance from exporters or policyholders regarding buyers' non-payment, refusal to take delivery of goods or cancellation of order, and so on, for shipments to buyers in these regions.

Since the Middle East and North Africa are not major export markets of Hong Kong, the demand by exporters for the ECIC's insurance covers on these regions has been limited. For the Japanese market, the ECIC has so far received only four enquiries from policyholders on whether the ECIC will change its underwriting policy for the Japanese market. The ECIC will closely monitor Japan's situation and market conditions, and review its underwriting policy if necessary.

Also, the Trade and Industry Department (TID) has not received any request from Hong Kong enterprises for assistance regarding the above regions. The TID has contacted major trade and industry associations and learnt that so far they also have not received any such request.

- (b) Given the close economic relationship between Hong Kong and Japan, the incidents following the earthquake in Japan will inevitably have an impact on our import and export trade, as well as the tourism and retail industries.

The TID has been in touch with the trade, including major local trade and industry associations and those trade associations related to the major import and export items with a view to understanding the likely impact of the incidents in Japan on our import and export trade. The general view is that trade between Hong Kong and Japan in major commodities, including telecommunications apparatus and equipment, electrical machinery and appliances, jewellery and apparel and clothing, may be adversely affected in the near future, although the actual impacts on different sectors may vary. The trade will need more time to make a realistic assessment of the situation.

The tourism sector has also been closely monitoring the situation in Japan. In view of the destruction and uncertainty caused by the earthquake and the tsunami, the trade has decided to cancel all Japan tours scheduled to depart before 15 April. People who have joined these tours may choose to retain the tour fare for six months, or request a refund of tour fare after deducting a fixed service charge. As far as we know, travel agents are actively promoting and making arrangements for affected customers to switch to packaged tours to other destinations such as Southeast Asia in order to minimize the impact on travel agents and employees in the sector resulting from the cancellation of Japan tours. This will not only help Hong Kong people avoid cancelling their travel plans due to the earthquake in Japan, but also enable tour escorts to be temporarily re-deployed to other outbound tours and make up for their losses.

In addition, we believe that the earthquake will affect Japanese tourists' desire to travel. We will keep a close eye on changes in the number of visitors from Japan, and assess the impact of the earthquake on inbound tourism in Hong Kong. To minimize the impact of a possible drop in the number of tourists from Japan on our tourism and retail industries, the Hong Kong Tourism Board will step up its efforts to attract tourists from the Mainland and other parts of Asia, as well as long-haul markets, to visit and spend in Hong Kong.

In respect of goods imported from the affected areas in Japan, although their supply may be disrupted due to the incidents, as an open economy, Hong Kong imports food and consumer products from diverse sources and local consumers usually have a wide array of choices. We believe that the incidents in Japan will not have a significant impact on the overall supply of consumer goods to Hong Kong and on our retail industry.

In view of the uncertainty surrounding the situation in Japan, it is difficult to assess the actual impact of the incidents on the Hong Kong economy at this stage, but we believe that the impact will be gradually reflected in the figures to be released in the coming

months. Nevertheless, Hong Kong's recent strong economic performance has benefited mainly from the robust growth in the Mainland and other Asian economies. The developments in these areas will continue to be beneficial to the Hong Kong economy, providing an offset to the negative effect of the incidents in Japan.

- (c) The persistently high oil prices amid the instability in the Middle East and North Africa, as well as the earthquake, tsunami and radiation leaks in Japan, have resulted in an uncertain outlook. Investors have therefore become more risk averse, while the global stock and foreign exchange markets have become more volatile. All these have affected the market valuation of the Exchange Fund's investments in these markets. However, with the prudent management approach and diversified investment strategy adopted by the Hong Kong Monetary Authority (HKMA), the impact on the Exchange Fund has been relatively mild so far. The HKMA will continue to closely monitor developments in the financial markets and manage the Exchange Fund prudently.

Regarding the financial market, our local banking system and currency, foreign exchange and stock markets, and so on, are all operating in an orderly manner. In addition, there is no evidence of abnormal fund outflow. The crisis in Japan has limited impact on insurers in Hong Kong as well. The Administration will maintain close contact with the financial regulators to ensure that all parties concerned are kept abreast of comprehensive information on the crisis so that appropriate measures can be introduced when necessary.

The Government understands that the incidents mentioned above may lead to certain changes in the market environment, and bring about operational difficulties and challenges for enterprises, especially the SMEs. The TID and the Hong Kong Trade Development Council (TDC) will continue to monitor the situation of the countries concerned and keep in touch with major trade associations to see whether Hong Kong traders have difficulties in conducting import and export trade with these countries, release

timely information to the trade, and provide appropriate assistance when necessary. Moreover, the TDC will render assistance to companies seriously affected by the earthquake in Japan, in particular those whose business is highly concentrated in the Japanese market, and help them diversify their business into the Mainland or other promising markets.

If Hong Kong exporters need to know whether their Japanese buyers' ability to pay has been affected by the earthquake, they may contact the ECIC or make use of the "Free Quote" and "Online Policy Application" services (including buyer credit check) available at the ECIC's website "EC-link" to obtain the ECIC's proposed credit limits for the Japanese buyers for evaluating the risks involved in extending trade credits to them.

Finally, individual SMEs facing cash flow problems may consider applying for loans from lending institutions participating in the existing SME Loan Guarantee Scheme administered by the TID or the SME Financing Guarantee Scheme launched by the Hong Kong Mortgage Corporation Limited earlier this year.

DR LAM TAI-FAI (in Cantonese): *President, I believe you agree that a responsible and capable Government should lead the public to solve problems, rise to challenges, develop the economy and seek business opportunities. Government officials should plan and worry ahead of the people. It is most desirable that they have foresight and capable of grasping the first opportunities available.*

In the aftermath of the tsunami and earthquakes, Japan was struck by the nuclear radiation crisis, and the situation worsens every day. Japan is the third largest trading partner of Hong Kong, and we can deduce from various perspectives that the economy of Hong Kong will definitely be affected, particularly individual industries like tourism, retail and catering industries, and so on. I believe this crisis will affect the employment rate.

Regarding the oral question I put forth today, it touches on issues which Members are deeply concerned and worried about. However, the reply given by

the Government today has toned down the issue exceedingly, and the answer is superficial. I have read the analyses and comments of several newspapers on the impact of the Japan crisis in recent days, and I consider those opinions far more penetrating and insightful.

President, my supplementary question is about As mentioned by the Government in part (b) of the main reply, the robust growth in the Mainland and other Asian economies have benefited the economy of Hong Kong, which is expected to help alleviate the adverse impact resulted from the Japan crisis. In part (c) of the main reply, it is mentioned that the TDC will assist companies affected to diversify their business into Mainland China or other promising markets.

President, as you know, and the Secretary knows, it is not that easy to enter the China domestic market. One of the premises is that the company concerned must be upgraded and transformed to obtain the domestic sales licences. The greatest obstacle to upgrading and transformation is section 39E of the Inland Revenue Ordinance, which I have mentioned a number of times. I do not intend to ask Secretary Prof K C CHAN about section 39E today, for I know how uncomfortable it would be to "ask the blind to guide the way"

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

DR LAM TAI-FAI (in Cantonese): *My supplementary question for Secretary Gregory SO today is: Will the Bureau implement special measures at special times, striving to introduce expeditiously more effective new measures to assist enterprises to upgrade and transform, so that they can enter Mainland domestic market faster?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I thank Dr LAM Tai-fai for his supplementary question. Actually, in my main reply earlier, I have mentioned the various measures introduced by the Government on commercial and economic development to assist the trades to deal with prevailing and imminent problems.

The Government has adopted a multi-pronged approach in assisting the trades and various departments have been working together to render assistance to the people in need. For instance, the TID will continue to work on this and maintain contact with major trade and industry associations to understand the situation. We are now waiting for a number of figures to determine the measures to be adopted and the assistance to be offered. Hence, in the meantime, the TID will maintain close contact with various trade and industry associations, particularly trade and industrial organizations of import and export. As I mentioned in the main reply earlier, so far, we have not received any request for assistance in respect of import and export trade, and we will pay close attention to the development of the incident.

Earlier, I have mentioned that for companies whose business is highly concentrated in the Japanese market, the TDC will check out their needs and provide assistance. Moreover, the TDC will help them diversify their business into Mainland China and other promising markets. Undeniably, the Japanese market is now being affected. Hence, the way to assist those trades is to help them to develop other markets. In respect of Japanese buyers, we will examine the kinds of subsidy to be offered and the assistance schemes now available in the market, hoping to attract more Japanese buyers to participate in the business and trading exhibitions and procurement activities organized by the TDC. We will disseminate timely information to let enterprises know where to find business opportunities.

We will monitor the situation in Japan closely and implement appropriate measures at the right time. As I said earlier, in fact, the ECIC has been providing the relevant service for a period of time. If exporters need assistance in import and export payment or risk assessments, we will help them by all means to minimize the impact on their operation resulted from the situation in Japan.

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

DR LAM TAI-FAI (in Cantonese): *President, he has spoken for a long time, do you think he has answered my supplementary question? My supplementary*

question is straightforward: Will the Bureau introduce new measures to assist the trades to upgrade and transform? More often than not, the Government follows old measures as if it is the "Book from Heaven". This time, will it adopt special measures at special times and introduce some new initiatives to help the trades to upgrade and transform?

PRESIDENT (in Cantonese): Secretary, how will the authorities help the trade to upgrade and transform?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the question today is about the impact of the disasters in Japan on the economy of Hong Kong. As for the upgrade and transformation of the trades, the Bureau has indeed adopted a multi-pronged approach by implementing all kinds of measures to assist the trade in Hong Kong to upgrade and transform. Dr LAM knows very well that we have made proactive effort in the past to help various commercial and industrial sectors to upgrade and transform For instance, we have assisted producers in the Mainland to identify sites. In the course of upgrading and transforming of local trades, we have put in much effort through the "Transform, Upgrade and Relocate for a New horizon" programme of the Hong Kong Productivity Council and other measures introduced by the TID.

Regarding the innovative technologies in upgrade and transformation, we have encouraged the trade to upgrade along the value chain, take advantage of the high technology and design of Hong Kong to enter the Mainland market and develop their own brand. These are the series of measures focus on upgrade and transformation. The subject today is about the effective measures to be implemented to address the impact brought to local trades by the prevailing situation in Japan.

MR WONG TING-KWONG (in Cantonese): *President, among the Japanese commodities imported to Hong Kong, several items are particularly popular, including rice, fruits and certain live and fresh items. However, in the aftermath of the earthquakes in Japan, the supply of these products is affected in some*

measure, particularly after the radiation leak, the public are affected psychologically and in other aspects. In view of the shortage of supply of these commodities, may I ask whether the authorities have assessed its impact on the market? Particularly on the case of milk powder, for one-fourth of milk powder in the Hong Kong market is supplied by Japan. Regarding the supply of infant formula, have the authorities considered taking any measures to address the problem?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, at present, food imported from Japan does not account for a great market share in Hong Kong, which mainly includes meat, seafood, dairy products, frozen confection, vegetables, fruits and wheat flour, and the total import of these products last year was 380 tonnes. As for the import of poultry and eggs, it has been suspended since last year at the outbreak of avian flu.

In connection with food products mentioned earlier, I will take rice as an example. Regarding rice supply, Thailand is a major source, where 55% of the rice consumed is imported from Thailand, 35% from Vietnam and 11% from the Mainland. Since rice imported from Japan only accounts for 0.3% of the total rice supply, the present situation in Japan will not have profound influence on the supply of staple food in Hong Kong.

Mr WONG Ting-kwong mentioned the issue of milk powder just now. The Government always accords utmost importance to the health of babies, particularly the safety and supply of milk powder. After the earthquakes in Japan, we have initiated close contact with milk powder suppliers, importers and retailers in respect of the supply of Japanese milk powder and the market situation. We know that demand for Japanese milk powder has risen significantly in recent years, which has given rise to the sudden tight supply.

Certainly, the supply will be affected by the crisis this time. However, we know that some batches of milk powder have been sent for shipment before the crisis, which means some cargo ships transporting milk powder have departed before the earthquake. Hence, the supply of Japanese milk powder will be maintained for a short while. In the long term, we are now contacting milk

powder manufacturers and suppliers of other origins proactively to understand the situation. They say they will monitor the situation in Hong Kong closely, and they will liaise with retailers to ensure there is sufficient stock to meet the demand in the market.

At present, Europe, Australia and New Zealand are the major sources of milk powder sold in Hong Kong, and the supply of milk powder from these countries will not be affected by the earthquakes and nuclear incidents in Japan. In fact, major milk powder manufacturers and suppliers have introduced some measures in Hong Kong, such as the free membership scheme. The arrangements under the scheme are very convenient, where consumers can place orders via telephone hotlines and provided with delivery service. In the latest monthly magazine *CHOICE* issued by the Consumer Council, information on customers' hotlines for major milk powder brands are published, and the public may obtain such information on the Internet.

We will keep a close watch on the market to ensure adequate supply in various aspects. On the whole, since food supplied by Japan accounts for a relatively small proportion in the total food supply in Hong Kong, the impact of the Japan crisis on Hong Kong will not be substantial.

MS MIRIAM LAU (in Cantonese): *President, 80% of vehicles in Hong Kong are from Japan, which include some public transport vehicles. As for public light buses and taxies, nearly 100% of them are from Japan. In the earthquakes and tsunami in Japan, the production regions of several brands of vehicle were devastated by seawater and the production of many vehicles and vehicle parts had come to a halt. Even if production can be carried on, there are difficulties in transport and delivery is made impossible. As such, the supply of vehicle parts is extremely tight.*

Members from the automobile repairs and serving industry say that since parts are not consumables, they will not keep stock of parts and will only place orders with manufacturers when they receive orders. Since the trade does not keep large stock, the supply of parts is extremely tight now.

In the main reply, the Secretary mentioned that Hong Kong was a diversified and open economy, where consumables in Hong Kong came from

diverse sources. He said that the authorities were extremely concerned about this and had appointed the TID to contact major trade and industry associations to identify problems encountered by the trade, which came to a conclusion that the trade in telecommunications apparatus, jewellery and apparel, and clothing would be affected in the near future. I believe for commodities like telecommunications apparatus, hi-fi, clothing and jewellery and apparel, the public have the choice of not buying at all or buy later. However, in the case of vehicle parts, the shortage in supply will cause great problem.

A Japanese vehicle cannot be installed with European parts. If suitable parts are not available or if wrong parts are installed in vehicles, it will cause safety concerns. May I ask the Secretary whether the authorities have examined the impact of the existing stock level of vehicle parts on vehicle repairs and safety? As I mentioned earlier, a majority of vehicles in Hong Kong are from Japan, and the continual operation of many types of vehicles rely on these parts. But since the supply of these parts has now become a problem, has the Secretary examined the situation? If he has not, how will the Secretary examine the situation and how will he solve the problems I raised?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the assertion of Ms Miriam LAU's supplementary question is correct. The incident in Japan has actually affected the supply of some particularly critical components or parts, and it has an adverse impact on manufacturers worldwide. The impact of this issue is extensive. Since many critical production processes are carried out in Japan, the present incident will surely have its impact.

However, the impact on individual trades varies. Ms Miriam LAU mentioned the automobile industry earlier, and this is a cause of concern. Actually, we notice that Japan suppliers have contracted out the production of certain critical components and parts to manufacturers in South Korea or Taiwan, and this may alleviate the prevailing problem in some measure. Due to the unexpectedness of the incident, this has in fact posed a problem worldwide.

In the long term, I believe members in the business sector, who show great flexibility in operation, will find replacements from different places by all means.

Apart from the various associations I mentioned earlier, colleagues will contact a number of organizations to understand the situation. I have also discussed the issue with friends in the critical components and parts trade. The trade has kept some stock, but the stock will soon run out. They are seeking remedy for the situation and checking whether they can get replacements from other places, making every effort to solve the existing problem.

MS MIRIAM LAU (in Cantonese): *The Secretary has not answered whether he will contact the relevant trade to examine the seriousness of the problem. He mentioned that the trade might obtain goods from other places, but this is only his guess. Have they liaised with the relevant trades directly?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In this connection, as I mentioned earlier, we have been actively liaising with various trades and industries to understand the problems they now encountered and seeking solutions to the problems.

PRESIDENT (in Cantonese): Oral question time ends here.

WRITTEN ANSWERS TO QUESTIONS

Duty on Strong Liquors

7. **MR TOMMY CHEUNG** (in Chinese): *President, Hong Kong has surpassed New York to become the world's largest wine auction centre. Some members of the industry have pointed out that wine trading, distribution and auctions, as well as the economic activities of related industries, have created enormous economic benefits and thousands of posts for Hong Kong within a few years, reflecting the success of the policy to abolish wine duty. They have also pointed out that Hong Kong should keep up the momentum and examine the room for improving the duty system and rates on strong liquors, that is, liquors with more than 30% alcoholic strength, so as to promote the trading of strong liquors, which is closely connected with and inseparable from the wine industry, and*

establish Hong Kong as a hub for liquor trading in the Asian region, as well as to bring greater economic benefits to Hong Kong and alleviate the cost pressure on the bar industry in preparing beverages such as cocktails, and so on. In this connection, will the Government inform this Council:

- (a) *of the following figures relating to strong liquors and wine from 2008 to 2010;*

Year	Volume of import (changes compared to figures of the preceding year)		Tax receipts (changes compared to figures of the preceding year)	
	Strong liquors	Wine	Strong liquors	Wine
2008	(%)	(%)	(%)	(%)
2009	(%)	(%)	(%)	(%)
2010	(%)	(%)	(%)	(%)

- (b) *whether it has studied the difference in prices of strong liquors and duty rates between Hong Kong and the neighbouring areas, for example, the Mainland, Macao, Taiwan and Japan, and so on; if it has, of the details (set out the relevant figures in tables); if not, whether it will conduct relevant studies and assess Hong Kong's competitiveness in the trading of strong liquors;*
- (c) *whether it has considered the recommendations from the industry to improve the duty system on strong liquors and reduce the duty rates concerned, with a view to narrowing the gap in rates and prices between Hong Kong and the neighbouring areas; if it has not, of the reasons for that; and*
- (d) *given that some members of the industry have recommended that, on top of the existing ad valorem structure for calculating the amount of duty on liquors, the specific duty structure should be introduced to calculate the duty, for example, to determine the duty per 100 litres*

of liquors to be HK\$100, and whichever is the lower be taken as the duty payable, so as to alleviate the pressure from duty payment on quality strong liquors which are more highly priced, as well as to encourage the public to consume an appropriate quantity of liquors, whether the authorities will consider such a recommendation; if they will, of the details; if not, the reasons for that?

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

- (a) The figures relating to strong liquors (liquors with more than 30% alcoholic strength) and wine from 2008 to 2010 are as follows:

Year	Volume of import ⁽¹⁾ (million litre) (changes compared to figures of the preceding year)		Tax receipts (\$ million) (changes compared to figures of the preceding year)	
	Strong liquors	Wine	Strong liquors	Wine
2008	23.49 (+29.9%)	30.43 (+29.9%)	246.45 (+21.0%)	45.89 ⁽²⁾ (-25.1%) ⁽³⁾
2009	22.32 (-5.0%)	34.86 (+14.6%)	242.45 (-1.6%)	Not applicable
2010	23.19 (+3.9%)	40.01 (+14.8%)	290.68 (+19.9%)	Not applicable

Notes:

- (1) Including both figures on import and re-export.
- (2) Tax receipts from January to February 2008 only. Since 27 February 2008, the Government has exempted duty on wine.
- (3) As compared to the same period of the preceding year.
- (b) The development of the alcoholic beverages market varies in different countries or economies. So do their taxation systems. For example, apart from levying excise duty, some countries also impose customs duty, value added tax or sales tax on alcohol. It is therefore not appropriate to make direct comparison with neighbouring economies.

(c) and (d)

The Government reformed the taxation system on alcoholic beverages in 1994 by changing the then relatively complicated specific duty cum *ad valorem* system to a simple *ad valorem* system. The objective of the reform was to simplify the taxation system and to alleviate the concern on the regressive effect of the then taxation system, as the duty on more expensive alcohol products represented a lower percentage of total cost as compared to cheaper products. We consider that the reformed *ad valorem* system is simpler and fairer, and is in line with the "ability to pay" principle.

We consider that any proposal to reintroduce the specific duty element to the *ad valorem* system should avoid the recurrence of the previous regressive effect as well as any other possible unfair situation, and strike a balance between the request from the spirits trade and the acceptability of the community.

Early Identification of Children and Families at Risk

8. **MR TAM YIU-CHUNG** (in Chinese): *President, in order to enable the early identification of families at risk, as well as to enhance support for families, the Government provides preventive services through the Integrated Family Service Centres (IFSCs) and implements the Comprehensive Child Development Service (CCDS) in the Maternal and Child Health Centres (MCHCs). In this connection, will the Government inform this Council:*

- (a) *regarding families which were in grave need of assistance but had previously been reluctant to receive services, of the respective numbers of such families that IFSCs in Hong Kong had taken the initiative to contact in each of the past three years, and the number of those which had eventually accepted the relevant services;*
- (b) *of the respective numbers of cases in which children or families at risk had been identified by MCHCs in each of the past three years, and among such cases, the number of those which had been referred to the Social Welfare Department (SWD) for follow-up; and*

- (c) *whether there is any plan to strengthen the work of identifying children or families at risk in MCHCs, including enhancing the training of staff and setting up medical social services units in MCHCs, and so on; if so, of the details of the plan; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the Administration has all along strived to provide a series of comprehensive preventive, supportive and remedial family welfare services for supporting families with welfare needs and promoting the well-being of their members. To enable the early identification of families at risk so as to provide them with the appropriate supportive services in a timely manner for preventing their problems from deteriorating, the Administration has launched various new measures and services in recent years, including the CCDS implemented in phase since 2005 and the Family Support Programme (FSP) implemented since 2007.

My reply to the three parts of Mr TAM Yiu-chung's question is set out below:

- (a) In order to build a community network for enhancing the connection with, and identification of, families and individuals who are in grave need of assistance but have been reluctant to receive services (including families and individuals affected by domestic violence, psychiatric problems and social isolation), the SWD has implemented the FSP since 2007 in IFSCs/Integrated Services Centres (ISCs), Family and Child Protective Services Units and Psychiatric Medical Social Services Units.

Under the FSP, relevant services units recruit and train volunteers to be "Family Support Personnel", including those who had personal experience in overcoming similar problems or crises. Social workers responsible for the programme and Family Support Personnel pro-actively contact families in the community who are in grave need of assistance but have been reluctant to receive services through home visits, phone calls and other outreaching services. They identify the needs of these families in a timely manner and refer them to the appropriate support services so as to prevent their problems from deteriorating.

Through the FSP, the 61 IFSCs over the territory have pro-actively contacted over 12 100 and 9 600 needy families or individuals who had not previously received the relevant community and welfare services and referred them to the suitable service units for follow-up in 2008 and 2009 respectively. From January to September 2011, the corresponding figure was over 6 000. The SWD does not maintain statistics on the number of families and individuals who were contacted by IFSCs but eventually did not receive the relevant community or welfare services, or those who had already received the relevant services when being contacted by IFSCs.

- (b) To ensure that needy children are provided with timely support at the early stage of their development so as to lay a solid foundation for their growth and development, the Labour and Welfare Bureau, Hospital Authority (HA), Department of Health (DH), SWD and Education Bureau have collaborated to launch the CCDS in phase since 2005 for children aged below five and their families. The service makes use of MCHCs under the DH and other service units (for example, specialist services operated by the HA, IFSCs/ISCs operated/subvented by the SWD and pre-primary institutions, and so on) as platforms to identify at an early stage at-risk pregnant women, mothers with symptoms of postnatal depression, families in need of social services and pre-primary children with health, developmental or behavioural problems, and so on. Children and families so identified are referred to the appropriate health and welfare service units for early intervention.

The CCDS currently covers about half of the target population in Hong Kong. To enhance the support for needy children and their families, the Administration will extend the CCDS to all 18 districts by phase from 2011 to 2012.

The MCHCs which implemented the CCDS successfully identified about 2 600, 2 000 and 2 500 mothers with symptoms of postnatal depression, and about 870, 330 and 480 families in need of social services in the three years from 2008 to 2010 respectively. The medical professionals had, in accordance with their needs and wishes, referred them to the suitable health and welfare service units, such as the psychiatric and paediatric medical professionals from the

HA stationing at MCHCs, specialist services operated by the HA or IFSCs/ISCs for follow-up. MCHCs which implemented the CCDS referred about 480, 380 and 570 cases to IFSCs/ISCs in the three years from 2008 to 2010 respectively.

- (c) The DH has been providing systematic in-service training to the relevant front-line medical professionals so as to enhance their skills in identifying children and families at risk. The department has also provided targeted training to doctors and nurses at the MCHCs which implement the CCDS. These training elements include skills in assessing postnatal emotional problems (for example, the skills to assess whether patients have suicidal tendency or risks of causing harms to babies, and so on), identifying families with social service needs and encouraging needy persons to accept referrals to other services, and so on, as well as the service needs of people from different cultural background and ethnic groups.

To enhance the cross-sectoral collaboration with the social welfare sector, the DH has been maintaining close contacts with the SWD and the relevant social welfare units, including the organization of service briefings on the CCDS for IFSC/ISC social workers, arranging for mutual visits, information sharing and, where necessary, discussion of the management solutions of individual cases between medical professionals and IFSC/ISC personnel, and so on.

Besides, IFSC/ISC social workers also place newsletters and information leaflets at MCHCs and set up promotional stalls to raise public awareness of the service. Individual IFSCs/ISCs have also arranged for social workers to station at MCHCs to meet with the service targets, and assist in referring needy children and their families who are at risk to the suitable service units for follow-up action.

Development of Community Colleges

9. **MR CHEUNG MAN-KWONG** (in Chinese): *President, in its report on "Aspirations for the Higher Education System in Hong Kong" released in*

December last year, the University Grants Committee (UGC) recommended that "The community college operations of UGC-funded institutions should be completely separated from their parent institutions within three years of the acceptance of this recommendation". In this connection, will the Government inform this Council:

- (a) whether it knows from the academic year 2007-2008 to 2009-2010,
 - (i) the items for which each the UGC-funded institution (the institution) provided subsidy annually to its community college (including items not charged at cost), and the amount of subsidy for each item; and*
 - (ii) the fees paid annually by each community college to its parent institution for renting various facilities and hiring various services, and its surplus each year;**
- (b) whether it has assessed the impact of implementing the aforesaid recommendation of complete separation of the community colleges from their parent institutions (aforesaid recommendation) on the room for survival and financial situations of these community colleges;*
- (c) given that the Government has established the Start-up Loan Scheme (SLS) to provide loans to institutions offering full-time locally accredited self-financing post-secondary programmes for purposes including building campuses, of the number of projects under SLS to date involving the construction of community colleges' campuses within the main campuses of their parent institutions, as well as the respective names of the institutions concerned, the progress of these projects and the annual amounts of loan repayments;*
- (d) upon the implementation of the aforesaid recommendation, which parties will own the campuses mentioned in part (c) and have the rights to use them; if the ownerships and rights are vested in the community colleges,*

- (i) *whether the parent institutions will have to pay fees to the community colleges concerned for using these campuses in the future (for example, using the venues for conducting classes or activities for their undergraduates); and*
 - (ii) *whether the parent institutions will violate the requirements of SLS because of using the facilities in these campuses; if so, whether the institutions need to apply to the Government or the relevant committees for changing the uses of these campus; if not, of the reasons for that; and*
- (e) *when the aforesaid recommendation is implemented, how the loans between the parent institutions and their community colleges and their surplus/deficit accounts will be dealt with, and whether the relationship between the teaching staff of the parent institutions and their community colleges as well as the parent institutions' responsibilities towards the students of their community colleges will be changed; if so, how the authorities will ensure a smooth transition in teaching work; if not, of the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President, in its report entitled "Aspirations for the Higher Education System in Hong Kong" (the Report) submitted to the Education Bureau in December 2010, the UGC puts forward a number of recommendations, including the separation of community colleges from their parent institutions, which aims at enhancing the transparency of the financial relationship between publicly-funded institutions and their self-financing affiliates or units. We are studying the Report's recommendations in detail and are in the process of further consulting the stakeholders of the post-secondary education sector with a view to coming to a decision on the recommendations within this year.

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

- (a) Government funding provided to UGC-funded institutions through the UGC should only be used on UGC-funded programmes and activities, but not for operating self-financing programmes.

Therefore, UGC-funded institutions should not use UGC funds to subsidize self-financing sub-degree programmes offered by their community colleges.

According to information provided by UGC-funded institutions, no subsidies have been provided for items/activities organized by their community colleges over the past three academic years (that is, from 2007-2008 to 2009-2010). The amount of fees paid by each community college to its parent institution for renting facilities and hiring services, and the surplus/deficit recorded by each community college are set out at Annex.

- (c) Since the introduction of the SLS, we have so far approved two loans for constructing college premises of the community colleges of UGC-funded institutions within the main campuses of their parent institutions. Details are as follows:

<i>Institution</i>	<i>Use</i>	<i>Annual repayment</i>	<i>Notes</i>
Lingnan University (LU)	Constructing a teaching block for the Community College in LU's Tuen Mun Main Campus	\$6,857,834	The teaching block was commissioned in the 2004-2005 academic year
City University of Hong Kong (CityU)	Constructing a teaching block for the Community College in CityU's Kowloon Tong Main Campus	\$28,397,369	The teaching block will be commissioned in the 2011-2012 academic year

- (d) The Government launches the SLS to support institutions offering self-financing post-secondary programmes by helping them construct new college premises and re-provision existing premises operating in sub-optimal environment, for example, by refurbishing vacant school premises allocated to them. An institution applying for a start-up loan is required to submit a development proposal specifying the future use of the proposed college premises, including

the programmes that will be operated in the premises. For the cases mentioned in part (c) above, the development proposals already specified that the college premises would be used by the community colleges to operate self-financing post-secondary programmes.

Under the loan agreements, the premises should be operated in accordance with the arrangements specified in the development proposals. If an institution wishes to make alternative arrangements for its completed premises, it is required to make an application to the Education Bureau in advance. When considering the application, the Education Bureau will take into account various factors, such as the utilization rate of the premises and the operation of the institution. If the application is approved by the Education Bureau and other users are allowed to use the premises, these users will normally be required to pay rent to the institution.

(b) and (e)

We are studying in detail the Report's recommendations, including the feasibility of the recommendation of completely separating community colleges from their parent institutions, and its possible impact on community colleges, institutions, students and other parties concerned. We are pleased to listen to the views of the stakeholders of the post-secondary education sector. Our target is to come to a decision on the recommendations within this year.

Annex

Fees paid to UGC-funded institutions proper by their community colleges⁽¹⁾

(\$ million)	<i>CityU</i>	<i>HKBU</i>	<i>LU</i>	<i>CUHK</i> ⁽²⁾	<i>HKIEd</i> ⁽³⁾	<i>PolyU</i>	<i>HKU</i>
Total amount of fees received from community college ⁽⁴⁾ :							
2007-2008 academic year:	70	28	11	28	17	66	10
2008-2009 academic year:	90	23	10	28	15	88	10
2009-2010 academic year:	93	26	16	35	10	93	10

(\$ million)	CityU	HKBU	LU	CUHK ⁽²⁾	HKIEd ⁽³⁾	PolyU	HKU
Surplus/(deficit) recorded by community college							
2007-2008 academic year:	118	(43)	(5)	28	2	8	⁽⁵⁾
2008-2009 academic year:	70	(40)	(6)	7	4	(41)	⁽⁵⁾
2009-2010 academic year:	96	(17)	3	34	7	30	⁽⁵⁾

Abbreviations:

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
 HKU — University of Hong Kong

Notes:

- (1) HKUST does not have a community college.
- (2) CUHK deems its School of Continuing and Professional Studies (SCS) as part of its community college operation, and hence the amounts received from SCS have been included in the above table for the sake of completeness.
- (3) HKIEd does not have a community college, but its School of Continuing and Professional Education (SCPE) offers programmes at sub-degree level. For the sake of completeness, fees paid by SCPE to HKIEd are also included in the above table.
- (4) The bases in the collection of financial data may vary among institutions.
- (5) Accordance to HKU's reply, since the HKU SPACE Community College is part of HKU SPACE (School of Professional and Continuing Education), it is difficult to disaggregate the surplus/(deficit) of Community College from that of HKU SPACE. Nevertheless, HKU advised that the HKU SPACE Community College breaks even on the whole.

Statistics on Employment Earnings

10. **MR LEE CHEUK-YAN** (in Chinese): *President, will the Government list, on the basis of the data from the 2010 General Household Survey compiled by the Census and Statistics Department, the numbers of working persons with monthly employment earnings of \$6,500 or below in each of the following categories of households?*

Household size	Household income	Number of working persons with monthly employment earnings of \$6,500 or below		
		Male	Female	Total
1 person	\$6,500 or below			
2 persons	\$12,000 or below			
	Above \$12,000			

<i>Household size</i>	<i>Household income</i>	<i>Number of working persons with monthly employment earnings of \$6,500 or below</i>		
		<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>3 persons</i>	<i>\$13,000 or below</i>			
	<i>Above \$13,000</i>			
<i>4 persons</i>	<i>\$14,000 or below</i>			
	<i>Above \$14,000</i>			
<i>5 persons</i>	<i>\$14,500 or below</i>			
	<i>Above \$14,500</i>			
<i>6 persons or more</i>	<i>\$16,000 or below</i>			
	<i>Above \$16,000</i>			
<i>Total</i>				

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, annual statistics for 2010 are not yet available. According to the results of the General Household Survey in the fourth quarter of 2010, the number of employed persons with monthly employment earnings of \$6,500 or below by household size, monthly household income and gender is at Annex.

Annex

Employed persons with monthly employment earnings of \$6,500 or below by household size, monthly household income and gender in the fourth quarter of 2010⁽¹⁾

<i>Household size</i>	<i>Monthly household income⁽²⁾ (HK\$)</i>	<i>Employed persons⁽³⁾ with monthly employment earnings of HK\$6,500 or below</i>		
		<i>Male</i>	<i>Female</i>	<i>Both sexes</i>
1	6,500 or below	13 800	15 700	29 500
2	12,000 or below	19 400	43 600	63 000
	Above 12,000	10 700	28 900	39 600
3	13,000 or below	25 000	38 800	63 700
	Above 13,000	27 800	79 700	107 500
4	14,000 or below	19 900	29 400	49 400
	Above 14,000	42 600	143 600	186 200
5	14,500 or below	4 800	6 600	11 400
	Above 14,500	18 400	105 500	123 900

Household size	Monthly household income ⁽²⁾ (HK\$)	Employed persons ⁽³⁾ with monthly employment earnings of HK\$6,500 or below		
		Male	Female	Both sexes
6 and over	16,000 or below	2 300	3 200	5 500
	Above 16,000	9 100	54 700	63 800
Total		193 800	549 800	743 600

Notes:

- (1) Some figures are compiled based on a small number of observations and should be interpreted with care due to the relatively large sampling error.
- (2) Monthly household income include monthly employment earnings and other cash income (for example, rent income, dividend) of household members.
- (3) Employed persons include foreign domestic helpers.

Public Consultation Exercise for 2011-2012 Budget

11. **MR VINCENT FANG** (in Chinese): *President, I have recently received complaints from members of the business sector and the public that while the Financial Secretary, before announcing the 2011-2012 Budget, consulted the views of the general public and members of different sectors in a high-profile manner, including broadcasting advertisements via the mass media such as television and radio, distributing publications such as the comic book "Embrace the Future, Believe in the Future" and the booklet "The Financial Secretary Invites Your Views", as well as conducting consultation forums, yet the content of the Budget eventually announced is a far cry from the views expressed by the public and the business sector. The complainants queried whether the consultation earlier was necessary and meaningful given that the Government had already a predetermined proposal on the Budget. They considered the consultation exercise to be just a waste of resources. Regarding the public consultation exercise for the 2011-2012 Budget, will the Government inform this Council:*

- (a) *of the total expenditure and a breakdown of expenses for the consultation exercise, and how such figures compared to the corresponding figures of the past two years;*

- (b) *of the number of submissions received, and how such number compared to those numbers in the past two years; how the Financial Secretary's Office handled these submissions; the respective numbers and ratios of submissions from political parties, political groups, chambers of commerce, professional bodies and members of the public; the number of submissions suggesting tax rebate or sharing of the fruits of economic prosperity with the public, and so on;*
- (c) *of the number of consultation forums it organized; the target audiences, the numbers of attendees, as well as the venues of these forums; and whether it had to hire any venues and pay any fees (please set out the information in a table);*
- (d) *of the numbers of television publicity videos and radio announcements, their total production cost, their total broadcast frequencies and airtime, as well as the ratios of the airtime of such publicly messages to the annual total free airtime allocated by the electronic media to the Government for its video or audio announcements of public interest;*
- (e) *how many types of printed promotional materials it produced, their production costs (including costs for design of the comics and printing), as well as the copies printed and the quantity of paper used; whether the printed materials have all been handed out, and their distribution channels; and*
- (f) *whether it will adjust or even cancel the public consultation exercise for the Budget of next year in order to avoid wasting of manpower and money?*

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

- (a) The total expenditure and the breakdown of expenses for the Government's consultation exercises on the 2011-2012 Budget and the budgets for the previous two years are as follows:

	<i>The 2011-2012 Budget</i>	<i>The 2010-2011 Budget</i>	<i>The 2009-2010 Budget</i>
Printing Cost of Consultation Document "The Financial Secretary Invites Your Views"	About \$65,000	About \$66,000	About \$63,000
Production Cost of Budget Consultation Comic Book	About \$390,000	About \$400,000	About \$337,000
Production Cost of Television and Radio Announcements in the Public Interest	About \$399,000	About \$334,000	About \$400,000
Total	About \$854,000	About \$800,000	About \$800,000

(b) and (c)

The Financial Secretary, Secretary for Financial Services and the Treasury and government officials concerned have attended a total of 26 consultation sessions in respect of the 2011-2012 Budget. For details of the target audience, venue and number of participants, please refer to the table below. There is no expenditure on hiring venues for these consultation sessions.

<i>Target Audience</i>	<i>Meeting/Activity</i>	<i>Number of Sessions</i>	<i>Venue</i>	<i>Number of Participating Target Audience</i>
Members of the Legislative Council	Meeting of Legislative Council Panel on Financial Services	1	Legislative Council Chamber	20
Members of the Legislative Council	Consultation forum	9	Financial Secretary's Office	46
Members of the Commission on Strategic Development	Consultation forum	1	Central Government Offices	30

<i>Target Audience</i>	<i>Meeting/Activity</i>	<i>Number of Sessions</i>	<i>Venue</i>	<i>Number of Participating Target Audience</i>
Part-time Members of the Central Policy Unit (CPU)	Regular meeting of part-time Members of the CPU	1	Central Government Offices	34
Academics from universities and think tanks	Consultation forum	1	Central Government Offices	9
Financial institutions	Consultation forum	2	Central Government Offices	13
Professional bodies	Consultation forum	1	Central Government Offices	10
Local chambers of commerce	Consultation forum	1	Central Government Offices	11
Representatives from Chinese General Chamber of Commerce and Industrial and Commercial Commercial Enterprises	"Forum of Chinese General Chamber of Commerce" organized by the Chinese General Chamber of Commerce	1	Hong Kong Convention and Exhibition Centre	About 300
Chairmen and Vice-chairmen of District Councils	Regular meeting of chairman and vice-chairmen of District Councils	1	Southorn Centre, Wan Chai	19
Members of local communities (including members of District Councils, Area Committees, District Consultative Committees, district organizations and bodies)	Consultation forum	4	Tsuen Wan Town Hall, Leighton Hill Community Hall, Hong Kong Heritage Museum and Hong Kong Science Museum in Tsim Sha Tsui	About 670

<i>Target Audience</i>	<i>Meeting/Activity</i>	<i>Number of Sessions</i>	<i>Venue</i>	<i>Number of Participating Target Audience</i>
Secondary students, university students, unengaged youth and young business starters	Youth activities	3	Lohas Youth Spot, Hong Kong Federation of Youth Groups, Hall of the Hong Kong Young Men's Christian Association and Financial Secretary's Office	About 320
	Total Number of Sessions:	26	Total Number of Participants:	About 1 482

The Government has received a total of 34 submissions from various bodies and members of the community through the abovementioned consultation sessions. Among them, 19 submissions came from Legislative Council Members or political parties/political bodies to which they belong, five submissions came from chambers of commerce, eight submissions came from professional bodies/think tanks/financial institutions. Among these submissions, five submissions called for tax rebate and four of them came from Legislative Council Members or political parties/political bodies to which they belong.

The Financial Secretary has also attended four regional consultation forums. Altogether nearly 150 participants spoke at the forums and put forward around 490 pieces of views and proposals. Seven of them put up tax rebate proposals.

In addition, from 29 November 2010 when the Financial Secretary launched the public consultation to 22 February 2011, we received, through mail, facsimile, email and telephone, a total of over 3 400 submissions from various sectors of the community, institutions, organizations and members of the public, containing over 9 000 pieces of views and proposals on the 2011-2012 Budget. Proposals on tax rebate numbered about 100.

Some 6 700 and 2 400 submissions were received during the public consultation exercise for the 2009-2010 Budget and the 2010-2011 Budget respectively.

When drawing up the Budget, the Financial Secretary made reference to the views of various sectors, and discussed with various bureaux and officials concerned on how to align the Budget with various policy objectives, satisfy the needs of the community and respond to the demands of various sectors. The Secretary for Financial Services and the Treasury has co-ordinated and issued the detailed written responses from the relevant bureaux to the views and suggestions put forward by the Legislative Council Members or the political parties/political groups to which they belong on 23 February 2011.

- (d) One television and one radio announcement of public interest (API) were made for the public consultation exercise for the 2011-2012 Budget with a total production cost of about \$400,000. The television and radio API were broadcast on various local television and radio stations from 12 December 2010 to 6 February 2011. Their total broadcast frequencies, total airtime, and the proportion of their airtime to the annual total free airtime allocated by the electronic media to the Government for API are tabulated as follows:

	<i>TV API</i>	<i>Radio API</i>
Total Broadcast Frequency	3 411	850
Total Airtime	1 705.5 minutes	425 minutes
The Proportion of its Airtime to the Annual Total Free Airtime Allocated by the Electronic Media to the Government for API*	0.73%	0.4%

Note:

* For the period between 1 April 2010 and 31 March 2011

- (e) The Government produced two sets of printed materials for the consultation exercise for the 2011-2012 Budget. They include the

Consultation Document "The Financial Secretary Invites Your Views" (500 copies each for Chinese and English versions) and a budget consultation comic book with bookmark (30 000 copies). Their printing and production costs are about \$65,000 and \$390,000 respectively. There are 40 pages and 120 pages, apart from covers, in the Consultation Document "The Financial Secretary Invites Your Views" and the budget consultation comic book respectively.

Copies of the Consultation Document "The Financial Secretary Invites Your Views" were mainly distributed to Legislative Council Members, Members of the CPU, scholars, think tanks, financial institutions, professional bodies and chambers of commerce. For the budget consultation comic book, copies of it were distributed to participants at consultation forums held for members of the Commission on Strategic Development, chairmen and vice-chairmen of District Councils, members of local communities and youth bodies. In addition, we also gave copies to secondary schools as well as made them available to members of the public at public enquiry service centres of various district offices. All such publications in printed form were sent to the distribution points.

- (f) The Government extensively consults the public on the Budget through various channels. On the one hand, it is hoped to know better the community needs and public aspirations and work out a budget that meets what our society asks for. On the other hand, it is hoped to arouse public concern over public affairs and to inspire our youth to give thought to budget preparation and management of public finances. As mentioned above, the Financial Secretary, in preparing the Budget, took into account the valuable views given by various sectors and discussed with various bureaux and officials concerned on how to align the Budget with various policy objectives, satisfy the needs of the community and respond to the demands of various sectors.

The consultation on the Budget and its preparation is an interactive process involving various sectors of the community and the Government. It calls for active participation and rational discussion by the whole community. The Government will listen attentively, balance different factors pragmatically and respectfully, and

carefully consider various views to foster a consensus in the community as far as possible and suitably respond to public demands.

As always, the Government will review the consultation exercise for the Budget to identify areas for improvement and sum up experience in an effort to do better in future consultations on the implementation of various policies, including the Budget.

Portable CSSA Scheme

12. **MS STARRY LEE** (in Chinese): *President, under the Portable Comprehensive Social Security Assistance (PCSSA) Scheme, eligible elderly persons may apply for permanent retirement in Guangdong Province or Fujian Province and continue to receive Comprehensive Social Security Assistance (CSSA) payments. In this connection, will the Government inform this Council:*

- (a) *of the number of elderly recipients under the PCSSA Scheme, the total amount of CSSA payments involved and the number of new cases in each of the past three years;*
- (b) *of the respective numbers of elderly persons who had withdrawn from the PCSSA Scheme and returned from the aforesaid two provinces to Hong Kong for permanent residence and continued to receive CSSA payments in the past three years, and whether it knows the reasons for their withdrawal from the Scheme;*
- (c) *of the number of abuse cases under the PCSSA Scheme uncovered by the authorities in the past three years, as well as the details of abuse and the amount of payments involved; and*
- (d) *whether it has planned to extend the PCSSA Scheme to other provinces such as Hainan Province, and so on; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): *President, the Administration introduced the PCSSA Scheme in 1997 to enable elders aged 60*

or above on CSSA to continue to receive CSSA if they chose to retire in Guangdong Province. Since August 2005, the PCSSA Scheme has been extended to Fujian Province, with a corresponding change of its name in Chinese.

My reply to the four parts of the question raised by Ms Starry LEE is set out below:

- (a) The number of CSSA elders participating in the PCSSA Scheme, the expenditure on CSSA payment to them and the number of new cases in each of the past three years were as follows:

	<i>2008-2009 financial year</i>	<i>2009-2010 financial year</i>	<i>2010-2011 financial year</i>
Number of CSSA elders	3 076 (as at the end of financial year)	2 985 (as at the end of financial year)	2 878 (as at January 2011)
Expenditure on CSSA payment (\$ million)	104	105	101 (estimate)
Number of new cases	347	339	269

- (b) The number of elders who left the PCSSA Scheme, chose to return to and live in Hong Kong and continued to receive CSSA, and the reasons for their withdrawal from the Scheme, in each of the past three years were as follows:

	<i>2008-2009 financial year</i>		<i>2009-2010 financial year</i>		<i>2010-2011 financial year (up to the end of January 2011)</i>	
	<i>Guangdong</i>	<i>Fujian</i>	<i>Guangdong</i>	<i>Fujian</i>	<i>Guangdong</i>	<i>Fujian</i>
Number of elders who chose to return to and live in Hong Kong, and continued to receive CSSA	127	3	112	6	87	6
Reason: 1) medical treatment	63	1	47	2	45	1

	<i>2008-2009 financial year</i>		<i>2009-2010 financial year</i>		<i>2010-2011 financial year (up to the end of January 2011)</i>	
	<i>Guangdong</i>	<i>Fujian</i>	<i>Guangdong</i>	<i>Fujian</i>	<i>Guangdong</i>	<i>Fujian</i>
2) unable to adjust to the life in Guangdong or Fujian	19	1	13	1	9	0
3) family members in Guangdong or Fujian could not take care of them	13	0	14	0	10	0
4) poor relationship, and could not get along, with family members in Guangdong or Fujian	2	0	6	0	4	0
5) would like to continue to enjoy public housing in Hong Kong	4	0	7	0	2	0
6) others	26	1	25	3	17	5

- (c) At present, the Social Welfare Department (SWD) has appointed the International Social Service Hong Kong Branch as its agent to assist in implementing and monitoring the PCSSA Scheme. Through this agent, the SWD reviews and verifies on a regular basis the information on recipients so as to ascertain their continued eligibility for CSSA under the PCSSA Scheme.

The SWD has set up a Special Investigation Section which specializes in the investigation of suspicious CSSA cases and refers suspected fraud cases to the police for follow-up action. In the past three years, there was no PCSSA case referred to the police for reason of suspected fraud.

- (d) We have no plan to further extend the coverage of the PCSSA Scheme to others parts of the Mainland since this Scheme already covers Guangdong Province and Fujian Province, which are the hometown of the vast majority (about 95%) of elders on CSSA. We believe that the existing Scheme is able to meet the needs of CSSA elders who choose to retire on the Mainland.

Products and Waste Containing Asbestos

13. **DR LEUNG KA-LAU** (in Chinese): *President, it was reported that as early as 1977, the International Agency for Research on Cancer, a subsidiary of the World Health Organization, had classified asbestos (including chrysotile) as a carcinogen hazardous to human health, and no safe level of asbestos exposure could be specified. At present, more than 50 countries have imposed a total ban on the use of products containing asbestos to safeguard the health of workers and the public at large. However, Hong Kong still allows the import and sale of certain types of asbestos products at present. In this connection, will the Government inform this Council:*

- (a) *whether it knows the details (including the types and quantities) of the import into Hong Kong, re-export from Hong Kong, sale, usage and storage in Hong Kong of various kinds of asbestos materials and waste, as well as materials and waste containing asbestos, in 2008 and 2009 respectively; and*
- (b) *as I have learnt that Taiwan is planning to impose a total ban on the use of asbestos in the next five years, whether the authorities also have the plan to impose a total ban on the use of products containing asbestos and the trading of such products in Hong Kong; if they have, of the details, if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) According to the statistics of the Census and Statistics Department, there was no asbestos waste imported into and exported from Hong

Kong. The import and export of various kinds of asbestos materials in 2008 and 2009 are as follows:

	<i>Asbestos materials</i>	2008	2009
Import (tonnes)	Asbestos cement ⁽¹⁾	206.7 ⁽²⁾	2.7
	Fabricated asbestos ⁽³⁾	14.7	14.9
	Friction material and articles ⁽⁴⁾	29.4	19.7
Export (tonnes)	Asbestos cement ⁽¹⁾	0	5.3
	Fabricated asbestos ⁽³⁾	5.7	58
	Friction material and articles ⁽⁴⁾	0.3	0.2

Notes:

- (1) Examples include asbestos corrugated sheets
- (2) Almost all of the asbestos cement goods were for re-exporting from Hong Kong
- (3) Examples include heat insulation fabricated products
- (4) Examples include vehicle brake linings

We have no statistics on the sale, usage and storage of various kinds of asbestos materials in Hong Kong.

- (b) Since 1996, we have banned the import and sale of the more hazardous blue and brown asbestos and substances containing these asbestos. We have also put asbestos abatement work, work which involves the use and handling of asbestos containing material and other related work under the control of the Air Pollution Control Ordinance. As regards substances containing white asbestos of which the import and sale have not been banned currently, their health hazard is lower. Even so, the import of these substances has already declined substantially as non-asbestos substitutes are widely available on the market. To further reduce the impact of asbestos and substance containing asbestos on the public, we are now formulating a proposal for banning the import, sale and use of all forms of asbestos and substance containing asbestos and will consult the trade about the proposal.

Illegal Occupation of Public Places

14. **DR PRISCILLA LEUNG** (in Chinese): *President, recently, I have received complaints from residents in the neighbourhood of Mei Foo Sun Chuen that while the space under a vehicular flyover near the housing estate is a public place, it has been occupied for years by itinerant recyclable waste collectors for placing furniture and miscellaneous items they have collected. Since October last year, the residents have repeatedly requested the government departments concerned to follow up the case but unfortunately, instead of showing any improvement, the situation has deteriorated with those waste collectors piling up even more objects in that place and treating the place as their temporary storage and rest bay. The complainants pointed out that such an act not only caused obstruction but also gave rise to hygiene and pest problems, and the objects which were piled up to an excessive height also posed a potential threat to the safety of pedestrians. In this connection, will the Government inform this Council:*

- (a) of the number of complaints against illegal occupation of public places received by government departments, the major categories of the objects causing obstruction, and the respective numbers of prosecutions and convictions, in the past three years;*
- (b) which government department is at present responsible for following up complaints related to public places being illegally occupied, and the procedure for processing the complaints;*
- (c) of the respective penalties for first, second and repeat offences of illegal occupation of public places;*
- (d) whether staff of the Food and Environmental Hygiene Department (FEHD) are authorized to immediately remove objects occupying public places for an extended period of time and the owners of which are untraceable; and*
- (e) on the premise of not banning local recycling business casually, whether the authorities will put forward a solution to help members of the itinerant recycling trade continue their operation, as long as they are hygienic and do not cause obstruction?*

SECRETARY FOR DEVELOPMENT (in Chinese): President,

- (a) In the last three years, the number of complaints against obstruction to scavenging operations, illegal extension of food business and shop front extension received and the number of prosecutions taken out by the FEHD are as follows:

	<i>2008</i>	<i>2009</i>	<i>2010</i>
Number of complaints	13 948	16 949	18 945
Number of prosecutions	14 896	16 662	18 841

The number of convictions accounted for over 99% of the number of prosecutions. The FEHD does not have any statistical information on the articles causing obstruction broken down by types.

As regards the complaints relating to unlawful occupation of unleased land received and handled by the Lands Department (LandsD) in the last three years of 2008, 2009 and 2010, they mainly involved fencing of unleased land for private use, or placement of skips or construction of structures on unleased land, and so on. Details are as follows:

	<i>2008</i>	<i>2009</i>	<i>2010</i>
Number of complaints	5 206	4 988	8 776
Number of prosecutions	13	9	7
Number of convictions	11	8	5

The number of prosecutions is relatively small because in many cases, the unlawful occupation of unleased land was rectified after the LandsD had issued notice. Among the cases where the irregularity persisted, some of them lacked sufficient evidence to prosecute the persons who could have been involved in the unlawful occupation of the unleased land.

- (b) The core function of the FEHD is maintaining environmental hygiene. Hence, the FEHD will accord enforcement priority to cases causing obstruction to scavenging operations or relating to

illegal extension of food business, and will take enforcement action in accordance with the actual circumstances. The FEHD will also actively participate in inter-departmental operations co-ordinated by the Home Affairs Department.

When handling situations relating to unlawful occupation of unleased land mentioned in part (a) above, the LandsD will normally issue a notice after such irregularity has been identified. The notice will require the occupier to cease occupying the land before the deadline specified therein. If the irregularity persists, the LandsD will take further land control action including taking possession of the property or structure on the land and may, if the occupier can be ascertained, consider prosecution action having regard to legal advice.

- (c) The penalties under the legislation invoked by the FEHD are as follows:

<i>Relevant Legislation</i>	<i>Maximum Penalty</i>
Section 22 of the Public Health and Municipal Services Ordinance (Cap. 132)	Fine of \$5,000 and daily fine of \$50
Section 34C of the Food Business Regulation (Cap. 132X) under the Public Health and Municipal Services Ordinance (Cap. 132)	Fine of \$10,000, imprisonment for three months and daily fine of \$300
Section 4A of the Summary Offences Ordinance (Cap. 228)	Fine of \$5,000 or imprisonment for three months

The abovementioned Ordinances do not stipulate special penalties for first, second and repeat offences.

The LandsD will normally invoke section 6 of the Land (Miscellaneous Provisions) Ordinance (Cap. 28) in handling unlawful occupation of unleased land. The maximum penalty for

conviction of a usual case of unlawful occupation of unleased land is a fine of \$10,000 and imprisonment for six months.

- (d) Once an article causing obstruction to scavenging operations is found, FEHD staff will invoke section 22 of the Public Health and Municipal Services Ordinance (Cap. 132) and issue a notice to the owner of the article, requiring him to remove the article within a specified period, failing which the FEHD may seize the article.
- (e) According to the Environmental Protection Department, the Administration has been encouraging the community to participate in source separation of waste for recycling, so as to minimize the need for waste disposal and further increase the recovery rate. An effective recycling network with convenient outlets for public use is essential in promoting source separation of waste for recycling. However, when choosing a suitable location for a collection point for recyclables, due consideration should be given to the impact of its operation on the neighbourhood environment, such as whether it will cause any obstruction to the nearby residents or create any hygiene problem. The mobile recyclers should consider the same when providing waste recycling service in local districts to avoid causing nuisance to nearby residents.

Regulation of Fund-raising Activities on Streets

15. **MR CHIM PUI-CHUNG** (in Chinese): *President, I have learnt that recently fund-raising activities have frequently been conducted at the pedestrian walkway outside Admiralty Station of the MTR Island Line by persons holding identification documents. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have imposed restrictions on the location, date and time of these fund-raising activities so that such activities will not cause traffic chaos and endanger the safety of members of the public;*

- (b) *whether the authorities' prior approval is required for conducting these fund-raising activities, and whether notices are issued to inform the public; and*
- (c) *given that some organizations have mobilized elderly people to conduct on-street fund-raising activities and some members of the public feel pressurized as they worry that they may appear to be very unsympathetic if they refuse to donate money, whether the authorities will review the relevant requirements on fund-raising activities?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the Administration strives to provide a friendly environment, with administrative procedures kept to a minimum, to facilitate organizations to mobilize community resources for their fund-raising activities. At the same time, the Administration needs to ensure that such activities do not cause nuisance or inconvenience to the public, and that the interests of the donors are safeguarded. The regulation of fund-raising activities straddles the programme areas of a number of government bureaux and departments. They have put in place various regulatory and administrative measures.

At present, the Director of Social Welfare (DSW) may issue Public Subscription Permits (PSPs) under Summary Offences Ordinance (Cap. 228) for any collection of money or sale or exchange for donation of badges, tokens or similar articles for charitable purposes in public places; the Secretary of Home Affairs may also issue PSPs under the Summary Offences Ordinance for the abovementioned activities for other purposes. The Commissioner for Television and Entertainment Licensing (CTEL) is empowered by the Gambling Ordinance (Cap. 148) and the Gambling Regulations (Cap. 148A) to grant lottery licences. For the sale of goods in public places for raising funds, temporary hawker licences (THLs) may be issued by the Director of Food and Environmental Hygiene under the Public Health and Municipal Services Ordinance (Cap. 132).

The Administration's co-ordinated reply to Mr CHIM Pui-chung's three parts of the question is set out below:

- (a) Before making an application for PSPs to the Social Welfare Department (SWD) and Home Affairs Bureau, organizations must first obtain approval from the management authority of the venues, including government bureaux/departments concerned. In considering these applications, apart from the date, time and location approved by the management authority of the venues, both the SWD and Home Affairs Bureau stipulate that relevant activities cannot be conducted during the flag-selling period on flag days to avoid causing confusion to the public. The conditions of PSPs, including that fund-raisers should not cause obstruction or annoyance to others in public places, are also listed in the permits.

Lottery licence holders must obtain approval from the Television and Entertainment Licensing Authority (TELA) in advance before selling lottery tickets on public streets. In considering these applications, the TELA would consult relevant government departments so as to avoid undesirable impact on pedestrian flow or more than one fund-raising activities being conducted in the same venue or its vicinity. Lottery licences also stipulate that such activities must not cause public order problems or nuisance.

If individual organizations would like to raise fund by selling goods in public places, they have to apply to the Food and Environmental Hygiene Department (FEHD) for THLs. Upon receipt of applications, the FEHD would consult relevant departments. THLs would only be granted if there is no objection by the relevant departments.

If an organization has to occupy Government land temporarily for setting up counters or booths, and so on, the organization has to apply to the District Lands Office (DLO) concerned. The DLO would consider issuing to the applicant organization an approval letter for temporary occupation of Government land, which applies only to counters or booths, and so on, occupying Government land. The approved area of land is usually less than three feet times six feet.

- (b) Organizations approved by the DSW or the Secretary of Home Affairs and issued with PSPs are required to display the PSPs prominently at the venues of the fund-raising activities to inform the public that the fund-raising activities have been legitimately approved. If a fund-raising activity is not held at a fixed location, fund-raisers are required to carry and produce copies of the PSP for inspection upon request by any person during the fund-raising activity. The SWD also uploads the information of the approved charitable fund-raising activities in public places onto its website regularly for public information. The public may also call the SWD's hotline 2343 2255 for enquiries. For information on fund-raising activities for other than charitable purposes, the public may make an enquiry to the Home Affairs Department.

In accordance with the additional conditions imposed by the CTEL for monitoring the sale of lottery tickets on public streets, the licence holders must display the names of the organizations prominently during the sale of lottery tickets. Moreover, the person-in-charge at each sale location should also keep a copy of the licence and the letter of permission issued by the CTEL for the relevant activities for inspection by the public as necessary. The public may also check the names of organizations granted with lottery licences and the approved locations of their activities through browsing the website of the TELA or calling its Licensing Section.

As the FEHD is mainly responsible for monitoring hawking activities and environmental hygiene issues, district hawker control teams will conduct patrols on the streets of the districts every day to inspect the fund-raising booths granted with THLs to ensure that the licencees comply with the Hawker Regulation (Cap. 132AI) and licensing conditions while conducting such activities. If issues under the purview of other departments are discovered, the hawker control teams would refer these cases to relevant departments for follow-up action. The public may check on the website of the FEHD if fund-raising activities on the streets have been granted with THLs. Members of the public who discover fund-raising activities

suspected to be unlicensed or causing obstruction to the pedestrians or environmental hygiene problems may report to the 1823 Call Centre.

- (c) The Administration has been educating the public to be smart donors and will continue to keep the regulatory regime and administrative measures under review.

Separately, the Law Reform Commission of Hong Kong (the Commission) is conducting a review of the law and regulatory framework relating to charities in Hong Kong. The Commission's Charities Sub-committee plans to issue a consultation paper later this year. The Administration will keep in view the progress of the Commission's review and its recommendations.

Procurement and Use of Chemical Materials in Government Works

16. **DR PAN PEY-CHYOU** (in Chinese): *President, it was reported earlier that the paint used by the Water Supplies Department (WSD) for the dam maintenance works in Tai Po Kau contained an environmentally hazardous substance, epoxide resin, and some environmental groups were concerned about that. Regarding the procurement and use of chemical materials in government works, will the Government inform this Council:*

- (a) *whether at present, the composition of the materials used by government works contractors is subject to regulation by the Government, and whether the use of materials containing environmentally hazardous chemicals is prohibited; if so, of the details; if not, the reasons for that; whether it has required various government departments to keep a record of the environmentally friendly products they procure in order to facilitate monitoring;*
- (b) *how the authorities ensure that the materials used in government works will not damage the environment and adversely affect the quality of potable water;*

- (c) *whether the authorities have made it mandatory for government departments to adopt, in the procurement of works materials, the relevant green procurement measures (as set out in the Guidelines for Drawing up Tender Specifications at Appendix III (F) of the Tender Procedures for Government Procurement in Chapter III of the Stores and Procurement Regulations); if so, of the details; if not, the reasons for that; whether the authorities have considered incorporating the relevant guidelines into their formal procurement standards and requirements;*
- (d) *given that in 2007 the Government formulated the Implementation Plan for the Stockholm Convention on Persistent Organic Pollutants (the Implementation Plan) with a view to reducing or eliminating persistent organic pollutants (POPs) and started to formulate its green procurement policy and chemicals procurement procedure on the basis of the Implementation Plan, of the latest implementation progress of various action items under the Implementation Plan; and*
- (e) *given that nine POPs, including chlordecone, were newly listed under the Stockholm Convention in 2009, whether the authorities have planned to incorporate these nine POPs into the Implementation Plan and correspondingly amend the Government's green procurement policy and chemicals procurement procedure; if so, of the details; if not, the reasons for that; whether the Government has commenced its environmental monitoring work in respect of these nine POPs; if so, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the "dam" mentioned in the question is a water intake facility for collecting rainwater at Tai Po Kau. The works undertaken by the WSD for this facility included the application of a protective coating on its concrete structure. The protective coating is a mixture of two ingredients. The ingredient includes a pre-polymer containing epoxy resin. When properly applied, these two ingredients and their mixed product are non-toxic. In fact, the protective coating conforms to the

standards set for approving materials used in waterworks by the Britain's Drinking Water Inspectorate (DWI) and has been verified to be safe for use on facilities in contact with potable water through test. Therefore, the coating material will not cause any adverse impact on the environment.

The whole process of applying the coating material is supervised by the WSD, including the proper transport and storage, and proper mixing of the ingredients by contractors. The WSD also carries out monitoring on site including checking around the site to ensure that the materials concerned are not left behind. The WSD also takes water samples from nearby streams for testing and conducts site inspections to ensure that the environment has not been affected.

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

- (a) To avoid any impact to the environment, contractors are required to comply with all the legislation in force in Hong Kong and, in particular, the ordinances related to environmental protection and pollution control. The specifications for government works also prohibit contractors from using toxic materials. For instance, section 22 of the General Specifications for Civil Engineering Works stipulates that materials used in pipes and fittings that are in contact with potable water in waterworks must be non-toxic.

Furthermore, Chapter VI of the Stores and Procurement Regulations requires departments to keep records of the materials (including environmentally friendly products) they have procured to facilitate monitoring.

- (b) To protect the environment, the Administration requires government departments to carefully assess the impact and risks on the use of any proposed materials to the environment before giving approval for their use in works. In particular, for materials that would be in contact with potable water, the approving departments must ensure that the materials conform to the relevant standards to safeguard the quality of potable water. For example, regarding the protective

coating for the water retaining facilities, including the concrete structures of water intake facilities, the government departments must ensure that the coating material conforms to the DWI standards for materials used in waterworks and is test-proven by the relevant testing authorities for safe use in facilities in contact with potable water before the contractor is allowed to use the material.

- (c) When stipulating specifications and requirements for works of the Government, the Administration requires departments to adopt the relevant green procurement measures as set out in the Guidelines for Drawing up Tender Specifications at Appendix III (F) of the Tender Procedures in Chapter III of the Stores and Procurement Regulations. In meeting the principle of economical benefit, the use of single-use disposal items should be avoided and the purchase of more environmental friendly products should be considered. Contractors are required to comply with the relevant requirements when procuring materials.

- (d) The Stockholm Convention became effective to China, including the Hong Kong Special Administrative Region (HKSAR), on 11 November 2004. The Convention aims, through strengthening global control efforts, to prohibit/restrict the production, use and release of POPs so as to protect human health and the environment from the potentially harmful effects of these hazardous chemicals. The POPs chemicals regulated under the Convention are being phased out and their manufacture, use and sale are prohibited in the local market. As such, government departments will not procure materials or chemicals containing these POPs.

In 2006, the Administration formulated the HKSAR Implementation Plan (HKSARIP) to carry out the follow-up actions. These include the implementation of the Hazardous Chemicals Control Ordinance (Cap. 595) in 2008 to regulate the import, export, manufacture and use of hazardous chemicals, including POPs under the Stockholm Convention; enhancement of the local emissions inventory and environmental monitoring of POPs; implementation of local

abatement measures to minimize the release of POPs; and promotion of public awareness on POPs through organizing publicity and promotional activities.

- (e) In view of the addition of nine new POPs (including Chlordecone) at the Fourth Conference of the Parties in 2009, the Contracting Parties, as required under the Convention, will update and revise their respective national implementation plans accordingly. At present, many Parties, including China, are in the process of preparing for the acceptance of the Amendments to the Convention in connection with the inclusion of nine new POPs. Upon completion of the procedures for acceptance of the Amendments by the Central People's Government, the Administration will introduce amendments to the relevant Ordinances to bring the newly listed POPs and their use under control in Hong Kong. In addition, the Administration is taking steps to incorporate the new POPs into the HKSARIP. For example, the Environmental Protection Department is expanding the routine monitoring programmes progressively to cover the new POPs. Starting in 2010, six new POPs have already been included in the toxic substances monitoring programme for the marine environment.

Hong Kong People Returning from the Mainland to Settle in Hong Kong

17. **MR WONG TING-KWONG** (in Chinese): *President, it has been reported that owing to the dual impact of continuous rise in inflation on the Mainland and persistent depreciation of Hong Kong dollar against Renminbi, the number of Hong Kong residents who used to live in the Pearl River Delta Region returning to settle in Hong Kong has surged recently. In this connection, will the Government inform this Council:*

- (a) *whether it knows the number of Hong Kong people who returned in the past three years from the Mainland to settle in Hong Kong; the age distribution of these people and the number of elderly people among them;*

- (b) *whether it knows the number of applications for Comprehensive Social Security Assistance (CSSA) made by Hong Kong people in the past three years after they had returned from the Mainland to settle in Hong Kong, and among these applications, the number of those rejected; what other assistance the authorities will provide to the people who have returned from the Mainland to settle in Hong Kong; and*
- (c) *whether, according to the authorities' estimation, there will be an increase in the number of Hong Kong people returning from the Mainland to settle in Hong Kong in the coming three years, and of the estimated number of these people; if such a trend is anticipated, whether the authorities have assessed the impact of such a trend on the economic, social and other aspects of Hong Kong; if they have assessed, of the details; if not, the reasons for that?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President,

- (a) Under the Basic Law, Hong Kong residents have freedom to travel and to enter or leave Hong Kong. The Immigration Department (ImmD) does not require Hong Kong residents to declare their places of residence when they depart or enter Hong Kong. As such, the ImmD does not have statistics on the number of Hong Kong residents residing in the Mainland or returning from the Mainland to Hong Kong for settlement.

According to a survey conducted by the Census and Statistics Department in 2007, it was estimated that about 500 700 Hong Kong residents had resided or stayed substantially in the Mainland for at least one month during the six months before the enumeration. Among them, about 121 800 were elderly people aged 60 or above. The Census and Statistics Department is conducting a similar survey to update statistics on the number of Hong Kong residents at age 50 or above who are residing or will reside in the Mainland in the future.

- (b) Persons aged 18 or above must have been Hong Kong residents for at least seven years if they wish to apply for CSSA. Since whether an applicant is a returnee from other places does not affect his/her eligibility, the Social Welfare Department (SWD) does not keep formal record of such background information. The SWD also does not compile statistics on the number of CSSA applications submitted by persons who have returned from the Mainland to settle in Hong Kong, and the number of such applications rejected.

For persons in need of social welfare support (including Hong Kong residents who have returned from the Mainland), CSSA is not their only option. Where there are proven needs, and subject to them meeting the respective eligibility criteria, they can receive other appropriate welfare services.

- (c) Hong Kong residents residing in the Mainland will take into account different considerations before deciding whether or not to return to Hong Kong for settlement. These include their jobs and family needs; the financial situation of the individuals and their families; the living standard and living environment of the Mainland *vis-à-vis* that of Hong Kong, and so on. Since their reasons for returning to Hong Kong for settlement vary and the impact of each reason at different times also varies, it would be difficult for the Administration to project the number of Hong Kong residents returning from the Mainland to Hong Kong for settlement in the coming three years.

Statistics on Elderly Receiving CSSA Payments and Old Age Allowance

18. **MR ALAN LEONG** (in Chinese): *President, regarding the situation of elderly persons aged 65 or above receiving Comprehensive Social Security Assistance (CSSA) payments or Old Age Allowance (OAA), will the Government inform this Council of the following statistics:*

- (a) *the respective numbers of the various categories of elderly persons receiving CSSA payments;*

Year	Number of persons				Total number of persons
	Old age	Ill health	Permanent disability	Others	
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					

- (b) a breakdown of the expenditures on making various types of CSSA payments to elderly persons; and

Year	Expenditure				Total expenditure
	Standard rates	Special grants	Long-term supplement	Others	
2005-2006					
2006-2007					
2007-2008					
2008-2009					
2009-2010					

- (c) the respective numbers of elderly persons receiving Normal OAA (for application by those aged 65 to 69) and Higher OAA (for application by those aged 70 or above) and the expenditures incurred?

Year	Normal OAA		Higher OAA		Total expenditure	Population aged 65 or above
	Number of persons	Expenditure	Number of persons	Expenditure		
2005-2006						
2006-2007						
2007-2008						
2008-2009						
2009-2010						

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the three parts of Mr Alan LEONG's question is set out below:

- (a) The numbers of CSSA elderly recipients⁽¹⁾ receiving different types of standard rate in the past five years were as follows:

<i>Financial year</i>	<i>Number of recipients receiving different types of standard rate (as at the end of the financial year)</i>			
	<i>Able-bodied/ 50% disabled</i>	<i>100% disabled</i>	<i>Requiring constant attendance</i>	<i>Total</i>
2005-2006	134 060	37 767	15 309	187 136
2006-2007	133 438	38 490	15 293	187 221
2007-2008	131 494	38 926	15 132	185 552
2008-2009	129 240	40 276	15 269	184 785
2009-2010	129 230	41 912	15 986	187 128

- (b) The CSSA expenditures on elderly recipients⁽¹⁾ in the past five years, with breakdown by type of payment, were as follows:

<i>Financial year</i>	<i>CSSA expenditure by type of payment*# (\$ million)</i>				
	<i>Standard rate</i>	<i>Supplements</i>		<i>Special grants</i>	<i>Total#</i>
		<i>Long-term Supplement</i>	<i>Other Supplements</i>		
2005-2006	5,300	247	12	1,887	7,446
2006-2007	5,420	254	25	1,858	7,557
2007-2008	5,712	268	27	1,955	7,961
2008-2009	6,463	302	42	1,785	8,592
2009-2010	6,580	294	49	1,971	8,894

Notes:

* Expenditures in 2007-2008 and 2009-2010 included one additional month of standard rate payment to recipients. Expenditure in 2008-2009 included two additional months of standard rate payment to recipients.

Individual figures may not add up to the total due to rounding.

- (c) The numbers of Normal OAA and Higher OAA recipients and the expenditure involved in the past five years, and the population of persons aged 65 or above in the respective years, were as follows:

(1) Under the CSSA Scheme, "elderly recipients" is defined as recipients aged 60 or above.

<i>Financial year</i>	<i>Normal OAA (for elders aged 65 to 69)</i>		<i>Higher OAA (for elders aged 70 or above)</i>		<i>Total expenditure*# (\$ million)</i>	<i>Population of persons aged 65 or above (as at December of the financial year)</i>
	<i>Recipients (as at the end of financial year)</i>	<i>Expenditure* (\$ million)</i>	<i>Recipients (as at the end of financial year)</i>	<i>Expenditure* (\$ million)</i>		
2005-2006	83 230	631	377 794	3,075	3,706	846 700
2006-2007	75 287	583	390 985	3,215	3,799	864 800
2007-2008	70 054	569	403 105	3,533	4,102	878 800
2008-2009	69 401	872	416 454	5,543	6,415	888 100
2009-2010	69 980	891	427 962	5,429	6,320	906 100

Notes:

* Expenditures in 2007-2008 and 2009-2010 included the payment of one additional month of allowance to recipients. Expenditure in 2008-2009 included the one-off payments of \$3,000 as well as two additional months of allowance to recipients.

Individual figures may not add up to the total due to rounding.

Village Representative Elections

19. **MS AUDREY EU** (in Chinese): *President, there are two types of village representatives under the Village Representative Election Ordinance (Cap. 576) (the Ordinance), namely Indigenous Inhabitant Representatives and Resident Representatives. Some electors for the Resident Representative Election (RRE) have relayed to me that in their villages, certain candidates for RRE have been living outside Hong Kong for a long time, but they still succeeded in registering as electors and standing for election. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints or reports received by the authorities in the past five years in relation to electors or candidates for RRE not meeting the eligibility requirements for electors, and the follow-up actions taken by the authorities;*

- (b) *whether the authorities had in the past five years proactively verified or randomly checked whether registered electors for RRE still meet the eligibility requirements for electors set out in the Ordinance; if they had, of the number of people found to be ineligible; if not, the reasons for that;*
- (c) *given that the Ordinance provides that electors for RRE shall be residents of the village concerned, and that "resident" means "a person whose principal residential address is in the Village" while "principal residential address" means "the address of the dwelling place at which the person resides and which constitutes the person's sole or main home", whether the authorities had verified, in the past five years, if the addresses furnished by registered electors and persons applying to be registered as electors were the addresses of their dwelling places which constituted their sole or main home; if they had, of the number of cases verified;*
- (d) *whether the Government has specified, for the purpose of recognizing a registered elector or a person applying to be registered as an elector to be a "resident" as defined in the Ordinance, a minimum number of days in the year preceding the compilation of the provisional register of electors each year for which the resident is required to have resided in the dwelling place at the "principal residential address" which he/she has furnished; whether a registered elector or a person applying to be registered as an elector will still be regarded as a "resident" as defined in the Ordinance if, in the year preceding the compilation of the provisional register of electors each year, the duration of his/her being outside Hong Kong is longer than that of residing in the dwelling place at the "principal residential address" he/she furnished; and*
- (e) *of the number of people whose names and particulars were struck out in the past five years from the final register of electors by the Electoral Registration Officer pursuant to the Ordinance on the ground that these people had not resided in the village concerned?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) We do not have the statistics for the past five years. Yet, for the period for lodging complaints in relation to the 2011 Village Representative Election as specified by the Electoral Affairs Commission (that is, from 13 November 2010 to 9 March 2011), the Home Affairs Department (HAD) received a total of 26 complaints against eligibility of voters or candidates. Some of the cases are still under investigation. Depending on the circumstances of individual cases, the investigation work generally includes approaching the voter or candidate concerned to obtain further information, paying home visits, and gathering information from relevant departments (for example, the Immigration Department and the Housing Department) for verification. Any case involving the furnishing of false information will be referred to law-enforcement departments for actions.
- (b) The HAD conducts annual exercises for voter registration. Every year, the department also takes the initiative to issue letters to all newly registered electors for verification of their personal particulars. Annual check is also proactively conducted on their particulars with relevant government departments. And once every four years, before an ordinary election is held, the HAD issues letters to all registered electors to verify their particulars in order to compile a provisional register and an omission list.

The provisional register contains particulars of previously registered electors that are still valid and information of newly registered electors. The omission list sets out names of persons who are no longer eligible for registration or who have passed away.

Both documents are available for public inspection for a period of two weeks. Anyone who questions the eligibility of persons whose names appear in the two documents may lodge a notice of objection or claim within a specified period. Upon receipt of such a notice, the Revising Officer will fix a hearing and make a ruling. The HAD will publish the final register on conclusion of all cases. Persons listed in the register have the right to vote.

In 2009 and 2010, a total of more than 4 200 persons were found not eligible for registration as electors in the RREs on verification. Their names were put on the omission list.

- (c) An applicant for registration as electors of a RRE is required to make the following declaration in his application form:
- (i) The particulars entered in the application form are true and accurate;
 - (ii) The principal residential address entered is that of the dwelling place at which he resides and which constitutes the person's sole or main home;
 - (iii) He has been a resident of the Existing Village under application for three years immediately before application; and
 - (iv) He is not subject to any disqualifications from registration as an elector of the Existing Village.

It is stated manifestly clear in the application form that any person who makes any false or incorrect statement or gives information which is false or misleading commits an offence under the law.

In preparation for the 2011 Village Representative Election, the HAD verified information of all registered electors for RREs in 2009 and found that the principal residential addresses of over 2 400 persons in the registers of electors were no longer the dwelling places which constituted their sole or main homes. They are therefore no longer eligible for registration as electors.

- (d) The Ordinance does not specify the number of days in a year that an elector is required to have resided at the reported sole or main residential address. Nor does the Ordinance provide for the duration of stay in or absence from Hong Kong. Where the case is related to absence from Hong Kong, the number of days of absence, the number of absence and the reasons of absence are all factors for consideration. Each case is to be considered on its own merits. There are no one-size-fits-all rules.

It should be noted that after the 2007 Village Representative Election, there were electors prosecuted for committing an offence under the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554) in regard to voting in an election. In his judgment on a related case, a Magistrate stated that the principal residential address should have a permanent nature. He gave an example to make this point — it is the parents' home, not the dormitory, that should be considered as the principal residential address of a student who lives in the dormitory on weekdays and returns to parents' home on weekends. This shows that the number of days of residence in a place is not the sole factor for deciding whether that place should be considered as the principal address of an elector.

- (e) We do not have the statistics for the past five years. In 2009 and 2010, however, a total of more than 2 600 electors for RRE were disqualified. They were found no longer eligible for registration as electors because their principal residential addresses in the registers of electors had no longer been the addresses of their sole or main homes.

Maintenance of Facilities in Boundary Control Points

20. **MR LAU KONG-WAH** (in Chinese): *President, it has been reported that when the Lok Ma Chau Spur Line (LMCSL) Control Point opened at 6.30 am on 11th of this month, the accordion electric folding gate at the arrival hall on the second floor malfunctioned and could not be opened for half an hour. During that period, the Immigration Department (ImmD) led visitors to the departure hall on the first floor via the emergency access to complete immigration clearance procedures. The incident caused delay to the journey of more than 300 visitors for up to 45 minutes. Some visitors considered the "closure of boundary" lasting for tens of minutes due to malfunctioning of folding gates a serious incident, reflecting that the ImmD had not put in place proper contingency measures (including inadequate signages for the emergency access and the failure of staff to check the various facilities in the Control Point before opening hours, and so on). In this connection, will the Government inform this Council:*

- (a) *apart from the LMCSL Control Point, whether electric folding gates of the same type are used at other boundary control points; of the number of cases of malfunctioning of such gates in the past five years and the reasons for malfunctioning; which government department or organization is responsible for the regular maintenance and repair works of the various facilities (for example, electric gates, and so on) at various boundary control points; how often such works are carried out; and how it ensures that the staff at boundary control points are aware of and familiar with the operation of the facilities;*
- (b) *given that the LMCSL Control Point has come into operation only for less than four years when the problem of malfunctioning of folding gates occurred, whether the authorities will pursue with the government department or organization responsible for the maintenance of the gates over the responsibility of the incident; and whether comprehensive checks will be conducted on other folding gates of the same design; and*
- (c) *whether the ImmD has drawn up contingency measures (for example, those for diverting visitor flows) for various potential crises at various boundary control points; if it has, of the contents and procedure of the measures, and whether drills have been carried out for such contingency measures; if so, how often such drills are carried out; if no such drills have been carried out, how it ensures that all front-line staff are familiar with the contents and procedures of the contingency measures and plans; and whether it will review the existing "one-way" design of the computers at the immigration counters of boundary control points, which can perform either immigration or departure clearance procedure only?*

SECRETARY FOR SECURITY (in Chinese): President, in the morning of 11 March, when making preparations for the opening of the LMCSL Control Point, staff of the ImmD found that the electric roller shutter, locating at the arrival hall on the second floor facing the footbridge connecting Shenzhen, was malfunctioning. The ImmD has immediately taken mitigating measures and directed south-bound passengers to the departure hall on the first floor to conduct immigration clearance therein. The ImmD, in conjunction with the police, has

also stepped up crowd management. Besides, the ImmD staff has immediately arranged for emergency repairs by maintenance personnel. The electric roller shutter was duly repaired at 7 am (that is, 30 minutes after the normal opening hour), and immigration service fully resumed by then.

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

(a) and (b)

Apart from the LMCSL Control Point, the Lo Wu and Shenzhen Bay Control Points are also equipped with electric roller shutters of the same design. Apart from the incident on 11 March, there have not been any other malfunctioning of such electric gates at these three control points over the past five years.

Maintenance and repair works of equipment (including electric roller shutters) at all control points are carried out by the Electrical and Mechanical Services Department, Architectural Services Department and their contractors. These departments regularly conduct inspections and upgrade equipment to ensure proper functioning. User guides are issued to responsible staff to enable them to effectively operate the equipment.

(c) The ImmD has devised various contingency plans to handle emergency situations which may arise at the boundary control points. These plans set out the procedures to be taken by staff in case of emergencies, such as liaising with relevant departments and agencies and taking appropriate measures to minimize possible impacts on service to passengers. Drills and exercises are also conducted at the boundary control points in a regular manner to ensure that the staff are familiar with the contingency plans. For example, drills are conducted on computer system failure quarterly and fire drills annually. In view of the incident at the LMCSL Control Point, the ImmD, the police, the Customs and Excise Department, and the Mass Transit Railway Corporation Limited conducted a drill on 24 March to simulate the malfunctioning of equipment.

At present, the computer system for the immigration counters at all control points are designed to handle both immigration and departure clearance.

BILLS

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill. We now resume the Second Reading debate on the Food Safety Bill.

FOOD SAFETY BILL

Resumption of debate on Second Reading which was moved on 2 June 2010

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

MR FRED LI (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Food Safety Bill (the Bills Committee), I now report on the major deliberations of the Bills Committee. The Bills Committee has held 12 meetings and received views from 25 deputations in the trade and other interested parties.

The Food Safety Bill (the Bill) mainly provides for the establishment of a registration scheme for food importers and food distributors so as to enhance food traceability, and empowers the Secretary for Food and Health to make regulations for tightening import control on specific food types.

Part 2 of the Bill seeks to establish a registration scheme for food importers and distributors. Any person who carries on a food importation or distribution business is required to register with the Director of Food and Environmental Hygiene by paper or electronic means. Food importers or distributors who have already registered or have obtained a licence under other Ordinances will be exempted from the registration requirement as a trade facilitation measure, since the Government already possesses their information. For instance, mariculture operators licensed by the Agriculture, Fisheries and Conservation Department and

fishing vessel owners with licences for Class III vessels issued by the Marine Department will be exempted from registering with the Director.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Members have noted that clause 6(1) of the Bill provides that the Director may in writing exempt a person from the requirement to be registered under Part 2 of the Bill in respect of a business, while clause 6(4) provides that the Director may, by notice published in the Gazette, exempt a class of persons from the requirement to be registered under Part 2 of the Bill in respect of a class of businesses. The notice would be subsidiary legislation subject to negative vetting by the Legislative Council. Members are concerned about the criteria adopted in this regard.

The Administration has explained that the reason for clause 6 is that the Director may consider exempting a person or a class of persons from the registration requirement when the situation warrants and that it would not cause any undue threat to public health. In making the decision, the Director may, in so far as is practicable and reasonable, take into account all factors relevant to the circumstances of the case that the Director considers appropriate, including but not limited to the following:

- (a) whether the exemption would cause any undue threat to public health;
- (b) past records of the applicant, for instance, previous conviction records under the Bill or the Public Health and Municipal Services Ordinance (Cap. 132), previous revocation of registration as a food importer/distributor;
- (c) whether information about the food importer/distributor is readily available from other sources, for instance, in the case of exhibitors in a food exhibition, whether detailed information about the exhibitors would be available from the organizer;

- (d) whether the food in question would be used for exhibition purposes (including free tasting) or sold for human consumption; and
- (e) the type and quantity of food that would be imported or distributed.

As an example, exhibitors in some major food exhibitions in Hong Kong may be exempted from registration as food importers.

The Administration has assured members that the Director will exercise caution and will not compromise public food safety in considering whether or not to grant an exemption. The Director will also consider including the above factors in the guidelines to be issued in relation to the registration scheme. Regarding how to ensure that food sold at exhibitions is fit for human consumption, the Administration has advised that although exhibitors in major food exhibitions may not be required to register as food importers or distributors, they would commit an offence under Cap. 132 if the food they supplied is not fit for human consumption.

Moreover, under clauses 6(2) and 6(3) of the Bill, the Director may impose conditions on the exemptions, for instance, stipulating that the food can only be used for exhibition purposes and not for sale, and withdraw the exemption should the conditions not be complied with. In addition, food importers and distributors exempted from registration are still required to keep import or wholesale supply records under Part 3 of the Bill.

Whilst noting that traders will need to submit applications for registration under clause 7(1) of the Bill if they have missed the deadline for renewal of registration, members are sympathetic to those traders who have inadvertently missed the deadline for renewal as they cannot continue their business until their application is processed.

The Administration has undertaken that regarding those applications submitted after the full commencement of the Bill, the Director will grant an application for registration within seven working days upon the receipt of all the required information.

Part 3 of the Bill requires any person who, in the course of business, imports, acquires or supplies by wholesale food in Hong Kong to keep transaction

records of the business from which the food was obtained and the business to which it was supplied.

As there might be difficulties for food retailers to distinguish between business customers and ultimate consumers, the Bill provides a defence to a charge of failing to make a record by a food retailer if the food retailer concerned can show that it is his normal business to supply food by retail and it was reasonable to assume that the supply was not a wholesale supply. The Administration has consulted the trade on the draft code of practice on keeping records relating to food. The trade is generally supportive. Members have noted that the code of practice on keeping records relating to food will be published in the form of a general notice in the Gazette.

Clause 29 of the Bill empowers the Director to exempt particular persons or classes of persons from the requirement to keep records. The Administration has advised that in deciding whether to grant an exemption, the Director may, in so far as is practicable and reasonable, take into account all factors relevant to the circumstances of the case that the Director considers appropriate, including but not limited to the following:

- (a) whether the exemption would cause any undue threat to public health;
- (b) whether the applicant has mechanisms in place to ensure that the food he supplies is fit for human consumption;
- (c) past records of the applicant (for example, previous conviction records under the Bill or Cap. 132);
- (d) whether there is genuine and practical difficulty in keeping the required records under Part 3 of the Bill;
- (e) whether the food in question would be used for charitable purposes; and
- (f) the type and quantity of food in question.

Although the Administration does not consider it necessary to specify the criteria for the Director to exercise this power of exemption so as to leave flexibility for the Director to consider each case according to the circumstances, the Director will exercise caution and take into account the possible impact of on public health in considering whether to grant an exemption. Consideration is being given to including the above factors in the Code of Practice to be issued in relation to the record keeping requirements.

Having considered the members' views, the Administration has agreed to propose Committee stage amendments to, among others, amend the definition of "food" so as to clearly express the Government's policy intention that food products which cannot be classified as Chinese medicine under the Chinese Medicine Ordinance (Cap. 549) or western medicine under the Pharmacy and Poisons Ordinance (Cap. 138) are regulated under Cap. 132 as general food products, and amend the term "粗言穢語" so as to match better with the meaning of the term "abusive language" in the English text.

The Bill will commence on a day to be appointed by the Secretary by notice in the Gazette. To allow sufficient time for traders to adapt to the new requirements, the penalty provisions for failing to register and keep records will commence after a grace period of six months after the registration scheme starts.

In view of the fact that some 8 600 food importers and distributors will need to register with the Director under the Bill, the Administration has undertaken that applications for registration received in the six-month grace period will be granted approval-in-principle as appropriate. Members welcomed such an arrangement.

The Administration has also planned to tailor-make some programmes for target groups such as fishermen and owners of small stalls during the six-month grace period in order to assist them in getting prepared for compliance with the new requirements.

The Bills Committee supports the Bill.

Now I am going to present, on behalf of the Democratic Party, our views on the Bill.

Ever since the times of the former municipal councils, the Democratic Party has requested the Government to formulate a piece of legislation on food safety. Having waited for 12 years, we are very happy to learn that the Government has finally accepted our good advice to put in place a set of comprehensive and overall protection measures for food safety control in Hong Kong.

A year ago, the Government first legislated on the part concerning food recall. What remains to be handled is about the establishment of a registration scheme for sales of food. Most importantly, it should be able to trace sources of food. The Democratic Party hopes that after the passage of the Bill today, the Government will attain more power and higher efficiency in enforcement when tracing and recalling food in the event of food incidents.

Take, for example, the current incident where the radiation level in Japanese food products is found to exceed the normal standard. Fortunately, Japan has established a comprehensive registration scheme for food products to trace their sources. Moreover, after the food products entered into Hong Kong, they were not available in the market yet, and the sales channels were concentrated on a few supermarkets. As a result, the Government could promptly deal with the matter. However, in the future, if the food products come from places which do not have a sound food traceability system and there are widespread food importation channels and distribution outlets, without the present legislation, the Government has to work twice as hard in tracing food and distribution network.

A comprehensive registration scheme for food importers and food distributors established through the legal framework may impose on the trade an extra need to do administrative work and keep records. Farmers and fishermen may also encounter difficulties in recording sales owing to their educational level. However, in the meetings of the Bills Committee, the Government has already undertaken to offer assistance to farmers as well as design forms for fishermen to keep as records, and the Government has advised that it has gained the fishermen's support. Thus we very much hope that this piece of legislation will serve its functions as expected, giving full protection over food safety in Hong Kong. In this regard, I have two more points to make.

First, as the Government has extensively consulted the trade on the Bill, the scrutiny of the Bill could be carried out smoothly. Members representing the trade also had sufficient time to express their views. Having received the views from legislators and Members, the Government then convened some special consultation meetings and briefing sessions. Being Chairman of the Bills Committee and spokesman of the Democratic Party in this area, I highly appreciate the Government's work this time. After holding 12 meetings, we have completed the scrutiny work (it might be possible to complete the work with fewer meetings held), may I express my appreciation for the full participation of members who are now present in the Chamber during the scrutiny process. I also wish to put my commendation for the Secretary on record. We would also like to extend our appreciation to his subordinates in particular, they have done a good job will earn our praise.

On the other hand, I have to raise my concerns. This scheme, upon implementation, will have to rely on closer liaison between the Secretary and the Customs and Excise. At present, there are still "parallel imports" which enter Hong Kong by land or by sea. Such parallel imports which may be smuggled through illegal channels will certainly not enter into the territory via registered distributors, thereby posing a threat to food safety. Hence, after the passage of the Bill, the Government must intercept "parallel imports" from entering into the territory. Since "parallel imports" are not imported through official channels and do not have formal registration with distributors and importers, we are worried that they will cause problems. Apart from this, I support the passage of the Bill.

I so submit.

MR WONG KWOK-HING (in Cantonese): Deputy President, long ago when I was a member of the Urban Council, I already proposed enacting the food safety legislation because the then legislation was inadequate in protecting food safety and failed to provide comprehensive protection of public health. During my service at the Urban Council, I wrote a number of articles which were collected in the book titled *Reform of Municipal Administration* (《市政興革》). Regarding food safety protection, I consider that the Food Safety Bill (the Bill), which is going to be read the Second time today, is a good piece of legislation, though it came a bit late.

Actually incidents concerning food safety have not just occurred in recent years. In 1995 there was the incident of Vitasoy milk with a strange taste. Later, with the increasing flow of information and higher transparency in society, more and more incidents of problem food were exposed. It was not until the discovery of malachite green in freshwater fish and streptococcus suis in pork in 2005 that the Government suddenly realized that food safety problems had become so imminent that it hastily took remedial measures. However, the Government merely proposed to reorganize the structure to enhance the monitoring and inspection work in food safety. It still did not consider introducing legislative amendments.

In 2006, the Government formally set up the Centre for Food Safety with a view to enhancing surveillance on food safety. Unfortunately, there are still incidents concerning problem food, such as chicken eggs and duck eggs were found to contain Sudan dyes, fish were found to contain nitrofurans, contaminated vegetables and scallops, so and so forth. There were countless problem foods, which exposed the numerous flaws in the food surveillance system and also highlighted the inadequacy of the then legislation.

As shown by many past incidents, after the problems emerged, the Government was actually unable to trace the source of the problem food. It was even unable to prohibit the sale or order a mandatory recall of the problem food. It was not until the melamine-tainted formula milk incident in 2008 that the Government became determined to introduce a legislation to enhance food safety protection. The authorities then introduced the Public Health and Municipal Services (Amendment) Bill 2009 to empower the Director of Food and Environmental Hygiene, through legislative amendment, to prohibit the import and supply of problem food and order an immediate complete recall of problem food. However, the relevant legislative amendment could only deal with issues relating to sales suspension and recall. To protect food safety, the authorities have to formulate a comprehensive food safety legislation to attain better protection.

After we had waited for more than a decade, the authorities finally drew up the Bill. Although it has come late, it is better late than never. However, this late arrival is not the usual kind of lateness. It is more than 10 years late. Let me quote the words of "Chai Kau", the main character in a popular television serial, "How many decades do we have in our lifetime?" Hence, we certainly

have to support this belated Bill. Yet I also hope that the Government will not adopt such a procrastinating attitude in monitoring food safety as well as in reviewing and improving the relevant legislation in the future.

I remember that some 10 years ago, the person who strongly promoted food safety was the then Director of Health, Dr Margaret CHAN (who has been Director-General of the World Health Organization for years). During that period she had been transferred to a number of posts as Director of departments and bureaux. I think the Government really needs to learn a lesson from this belated legislative amendment.

Deputy President, the proposals of the Bill include establishing a registration scheme for food importers and food distributors, requiring the keeping of records by persons who acquire, capture, import or supply food, and empowering the Secretary to make regulations for tightening import control on specific food types based on risk assessment, as well as empowering the authorities to make orders to prohibit the import and supply of problem food and order the recall of such food. These are highly important components in conducting comprehensive surveillance on food safety. In the past, when problem food appeared, the authorities were often unable to trace the source instantly. Neither was it able to order an immediate prohibition of sales and a complete recall. Upon implementation of the new food safety legislation, the registration and record keeping systems will enhance food traceability. It will be easier to locate the source of the problem food and therefore improve the whole monitoring mechanism.

Deputy President, the recent leakage of radiation from Japan's Fukushima Daiichi nuclear power plant has aroused worldwide concern. News released by countries over the world shows that the situation is deteriorating every day. The contaminated area keeps expanding, and a number of local food products in Japan were found to contain radioactive substances exceeding the normal level. Last week the authorities confirmed that among some agricultural products delivered to Hong Kong from Japan by air, three samples were found to have a radiation level higher than the normal standard. As a result, the authorities immediately announced prohibiting the import of milk products and vegetables from five prefectures in Japan, namely, Fukushima, Ibaraki, Tochigi, Gunma and Chiba, into Hong Kong.

Although the Administration has taken action in response, as the contaminated area keeps expanding, the situation is clouded with increasing uncertainties. Thus it is doubtful whether the authorities can clearly identify the places of origin of imported food, and the public's concern cannot be relieved. That demonstrates all the more the importance of food safety legislation.

Deputy President, each part in the food chain is closely interlinked. A small contamination in the initial stage may spread indefinitely along the food chain. The authorities must handle the matter carefully and step up surveillance.

It was reported the day before that the soil at the Fukushima Daiichi nuclear power plant was found to contain plutonium. According to the academics, plutonium, which is a radioactive substance, is highly toxic. If inhaled by human beings, it may be absorbed into the bone marrow and the lung, leading to cancer. Hence, I suggest that the various departments concerned should step up surveillance on food, marine products and water which came from Japan to prevent Hong Kong from being affected by the radioactive substance plutonium.

I would like to point out, the authorities has proposed to set a grace period for registration for food importers and distributors (that means 8 600 food traders) before the Bill formally comes into operation. If any problem arises during the grace period, what should be done? Thus I urge the Administration to ensure that drinks, food products, drugs and cosmetics imported from Japan or overseas places during the grace period (that is before the relevant ordinance formally comes into effect) are not contaminated by radioactive substances and stringent monitoring should be carried out after the passage of the Bill, so as to guarantee the safety of Hong Kong people. I hope the Administration will respond to this question in a while.

Recently, I have noticed that operators of Japanese restaurants in Hong Kong have jointly approached the authorities, requesting for enhanced inspection work, so as to ensure that various kinds of drinks and food products which enter into Hong Kong will be issued with an import certificate. In this way, when these food products are put up for sale in the market, members of the public can buy them at ease, and thus traders can continue their business. Under the present impact caused by the concern with radiation, these restaurants are suffering from slack business. Judging from this, the Bill, which will be read

the Second time today, is highly significant, and the Government's role as the gatekeeper is also very important. So I wish to ask the Government via the Deputy President to provide a response later.

Just now when I was dining in the Dining Hall in the Legislative Council Building, I was told by the Chairman of the Panel on Food Safety and Environmental Hygiene that the Panel was going to ask the authorities to arrange a site visit to the airport next week to see how the authorities do the gate-keeping work and how they test whether food imported from overseas places (including Japan) are contaminated by radiation. I am very glad that the Panel Chairman has made such a request. I hope that through this site visit, we will understand how the Government carries out its work as a gatekeeper. I also wish to call on the relevant government departments to perform their gate-keeping role properly for Hong Kong people.

Deputy President, is our present inspection system sufficient to intercept contaminated food from importing into Hong Kong? Is the number of samples taken for random tests adequate? How are the authorities going to give people confidence? As foods in Hong Kong are mostly imported from the Mainland and other places, the quality is not under our control. Hence, surveillance plays a very important part. I hope the Bill will be implemented as early as possible so as to assist the authorities in enhancing food safety surveillance to guarantee food safety, thereby protecting public health.

With these remarks, I support the Bill. Thank you, Deputy President.

MR VINCENT FANG (in Cantonese): Deputy President, today the catering and food trades in Hong Kong are faced with various concerns about whether Japanese food products are safe for consumption. Under such circumstances, I think it is an opportune time to conduct the debate on the final legislation of the Food Safety Bill (the Bill). First of all, I would like to talk about how the present issue of Japanese products is related to this legislation.

As we can see, since food products were detected to be contaminated by radiation in Japan, all Japanese-related restaurants and food stores in Hong Kong suffer from a plunge in business. The main reason is certainly because members of the public are concerned about the safety of Japanese food products and dare not take them. Of course, businessmen will not just await their doom. With

the Government policy of positive non-interventionism, traders can only rely on their own efforts to change for the better.

So they looked for substitutes everywhere and then publicized that these substitutes were not imported from Japan. We could eat them at ease. However, after such publicity, they were immediately bombarded by the media and our Honourable colleagues, who accused them of "crying up wine but selling vinegar" and deceiving Hong Kong people. Actually, so long as these products are imported from safe areas with import certificates and have been tested by the Centre for Food Safety, they can be put up for sale. Not only will this allow the trade to continue its operation, members of the public can also enjoy food products which are reasonably safe.

However, presently the Hong Kong Government does not issue any certificate to imported food. I remember that in the initial stage of the radiation leakage incident, a fruit shop indicated that it would produce to consumers a document from the Centre for Food Safety. Yet the Centre stated that it was not a document which guaranteed food safety; it simply stated that the Centre had taken samples for testing. In that case, how long would it take to publish the test results? In a case received by me, an importer of Vietnam suckling pigs said it took him three months to receive notification from the Centre for Food Safety that there were problems with the sample and that the goods had to be recalled. However, that batch of goods had already been sold out long ago. Of course, the trader concerned got involved in the legal proceedings.

What I want to point out is that the Government very often enacts a legislation based on idealistic objectives, neglecting the actual operational needs and forgetting to plug the loopholes so as to guarantee that law-abiding traders can run their business in a reasonable business environment, thereby ensuring the effectiveness of the law.

According to the Government, the Bill has four purposes: (a) to establish a registration scheme for food importers and food distributors; (b) to require the keeping of records by persons who acquire, capture, import or supply food to enhance food traceability; (c) to empower the Secretary for Food and Health to make regulations for tightening import control on specific food types based on risk assessment; and (d) to re-enact Part VA of Cap. 132, that means to conduct mandatory recall of problem food.

A reporter once asked me if I have so many views, why did I not propose amendments to the Bill. I am in full support of the basic spirit of the legislation, and the trade is very supportive too. However, once the spirit is embodied in legislation, the Ordinance requires traders to deploy manpower and resources for compliance and traders are subject to legal constraints, but it still cannot guarantee the people's safety and enable them to eat at ease.

Take this radioactive contamination incident in Japan as an example. Suppose I am an importer of Japanese food. I have made registration and obtained a laboratory test certificate from Japan, or I have asked a laboratory in Hong Kong to conduct the test and produce the relevant proof. Yet the Hong Kong Government says this is not recognized by the Government. For instance, regarding the issue of fish capture, I remember that when Hong Kong people scrambled for salt, Japanese netizens ridiculed us and said, "Tuna swim around. Does that mean from now on, Hong Kong people and Chinese will stop eating tuna?" The sea is not a breeding farm. I really do not think that by merely keeping record of the fish capture, it can be guaranteed that the food is safe for consumption.

As for point (c), to empower the Secretary for Food and Health to tighten import control on specific food types based on risk assessment, I find that this task has been speedily carried out by the Food and Health Bureau. According to my experience, from the incident of malachite green to that of radioactive contamination today, Hong Kong indeed acted promptly. Although the trade will be affected, we render support for the sake of maintaining Hong Kong people's confidence in food consumption and protecting their safety.

However, regarding mandatory food recall, actually during the negative vetting procedure after the occurrence of the melamine incident, I had already expressed a number of views, raising doubts whether the reasonable doubt held by the Government was indeed rational and reasonable. From the cases of recall of Po Chai Pills and a certain brand of canned luncheon meat, we could see that the Government, fearful of possible trouble, adopted a blanket approach. Singapore recalled only one type of product, but Hong Kong recalled all products of the whole brand. The importer of the canned food had the proof that the production process did not involve any lead, but the Government still called on us not to take the food in its press release. However, after it was proved that the food product really did not have any problem, the Government did not even publish any press release and just let traders handle the matter themselves.

Deputy President, so far the relevant product is still unable to attain its original sales figures again. As such, who will dare to start up and do business? Hence, I think the Government should adjust its attitude in legislation. Legislation should not merely aim at exercising regulation. It should at the same time safeguard the interests of law-abiding traders. Only such legislation will be feasible.

The law requires law-abiding traders to register and keep records for sales of goods. However, may I ask the Secretary to make time to go to the Lo Wu crossing to see how many people are carrying goods like ants in that place? The goods, ranging from meat, vegetables, fruits, eggs to packaged food, are carried in packs, boxes or bags. Then they are transported to markets and shops and mixed with registered distributors' goods for sale. Should anything happen, it will certainly be the case where "the black dog stole but the white dog took the blame".

Deputy President, last week when we were discussing illicit cigarettes, the Under Secretary kept repeating that it was illegal to sell illicit cigarettes and that it should not be done. If we could just rely on the Government to make a simple appeal and then the offenders would stop, the world would be at peace. As the Government did not state that the act of transporting food like ants is illegal, that means it can be done. However, for us, who are law-abiding traders, we have obeyed the law but we are not protected by law. This is indeed contradictory.

Deputy President, these are the true feelings I have got during the process of enacting food-related legislation. I sincerely hope that the Secretary will listen carefully to the views of the trade and explore how to safeguard the interests of law-abiding traders.

I so submit. Thank you, Deputy President.

MR WONG YUNG-KAN (in Cantonese): Deputy President, during the 10-odd years of being the representative of this sector, I have encountered numerous food safety incidents. For those incidents which happened long ago, I do not want to mention them again. As for the recent ones, in these few years there were incidents like malachite green in freshwater fish, melamine and oilfish marketed as codfish. Food products like canned food and eggs also had lots of problems.

The Democratic Alliance for the Betterment and Progress of Hong Kong has always hoped that the Government will exercise proper regulation and management in food safety, particularly regulation from source to table. If there is no clear regulation, a lot of intractable problems may arise in the future. Food is different from other things because it will be eaten and ingested in a short time. By the time one wishes to trace it, an incident may have already happened. Even if no incident has happened, the trade may incur heavy losses as well. A simple example occurred recently, after the seafood in a certain restaurant was found to contain vibrio cholerae, apart from tracing the source of food, all the food in that restaurant had to be destroyed, everything had to be sterilized and all food stock had to be disposed. To the trade, this is in fact a disaster.

Hence, I have a lot to say on the enactment of this legislation. According to members in my sector, under the Food Safety Bill, holders of certain licences issued by the Agriculture, Fisheries and Conservation Department (AFCD) will be exempted. For example, fish captured by Class III vessels with a licence issued under the Marine Fish Culture Ordinance will be exempted from registration and will only need to be recorded. In this regard, the Government has, in response to the traders' request, put forward some proposals which are acceptable to both the Government and the trade by classifying the capture areas into zones 1, 2, 3 and 4. The zoning is very clear: Zone 1 is Guangdong. Zone 2 is Hainan. Zone 3 is as faraway as Nansha. All of them are clearly defined. Besides, regarding the identification of fish types — maybe the Secretary knows that we are not very good at words. Therefore some specimens and pictures of fish were made for us to select by putting a tick or writing their numbers, hence the trade agreed to accept the Government's proposals. I consider this as an example of co-operation between the Government and the trade. It was also a good experience.

Besides, I would like to talk about the Marine Fish Culture Ordinance and oyster culture. Since 2005 I have been in touch with issues of oyster culture in Hong Kong waters and pond fish culture. The Government currently implements a voluntary registration system for pond fish. There is no statutory regulation. One simply needs to register what type of fish is being kept, and that is all. The situation for oyster culture is even more ridiculous. Since 2005 and 2006, the number of oyster beds in Northwest New Territories has grown from some 200 to — I paid a visit two weeks ago — more than 6 500 today. This is what the oyster farmers have told me. I took a gasoline boat to go round Lau

Fau Shan for 20 minutes but was unable to complete a circle around an oyster bed. The oyster bed was so big that it was divided up into three rows. Going in between them, it might take one hour to go around the oyster bed. Now the oyster bed has expanded from Lau Fau Shan to the landfill at Ha Pak Nai.

I really hope that the Government will seriously manage the oyster beds and explore how to put the oyster beds under statutory regulation. I am very worried because the oyster farmers have told me that at present, places like Yangjiang, Taishan and even Shajing near Deep Bay at Shenzhen can no longer be used for oyster culture. As a result, all the oyster beds there have been moved to Hong Kong. Yet the marine police and the Marine Department have no way to monitor them. Neither does the AFCD exercise any statutory regulation. I later asked the trade and learnt that some of the oysters were transported to the Mainland for sale. That means the oysters were kept in Hong Kong waters but sold on the Mainland. This was not regulated by anyone either. I think the Government should expeditiously discuss and handle the matter with the Mainland. It should not be treated as an ordinary matter and handled casually.

Another point which I would like to talk about is that local vegetable farmers have strong opinions about the vegetable registration system which the Government intends to implement. Why? Because it turns out that the registration fee is waived for some types of fish but not for vegetables. Being not entitled to any exemption, the farmers made a proposal and invited the Deputy Secretary and Permanent Secretary for Food and Health to discuss with traders in person and visit them to learn about their situation. The traders told them that there are a total of some 20 vegetable marketing co-operative societies, and all the vegetables would be transported to the wholesale markets. As such, it would already do if only the marketing co-operative societies were required to register. The marketing co-operative societies could submit the farmers' information to the Government afterwards. However, in the end the Government said that there was no room for negotiation and that registration must be made. It was only a few days before the Bill was submitted for scrutiny that we finally reached an agreement with the Government. The Government said it would train and teach vegetable farmers how to register with the approach which was applicable to fishermen. Of course, I could not but accept it in reluctance. Yet traders still have strong opinions about it at the moment.

Hence, I hope the Government will pay attention to the situation in this regard. Both fishery and agriculture are manufacturing industries under the AFCD's supervision, but vegetable farmers are treated in such a way. As a result, they find it very unfair. However, since the Government eventually agreed to negotiate with the trade and adopt some measures, the trade had no choice but accept the Government's relevant proposals and practice.

Thus, I believe the trade wishes to gain the Government's support and understanding. Traders hope that the Government will explore how it can do better. However, what is most puzzling is that some vegetables which are transported for sale are not required to register. For this reason, vegetable farmers have very strong opinions. They questioned about the reason for that, and it was learnt that vegetables sold by retail need not be registered. According to the Government's explanation, if investigation reveals that the seller does not have any certificate of origin, the Government is empowered to penalize and deal with the seller, including importers. However, I must point out that if there is no registration, it will be difficult to trace the source after the vegetables are sold. How will the Government deal with the matter in the future? I consider that these several points are loopholes in this piece of legislation. I hope the Government will conduct a review in due course.

Deputy President, owing to the current incident in Japan — no matter whether you call it a natural calamity or a man-made disaster — now people residing at the various coastal areas on the Mainland are very worried about the very minute amount of radionuclide. Thus our trade requests the Government to conduct tests on marine products. We think this is something that should be done. I hope the Government will pay more effort in monitoring the source instead of just saying casually that the marine products came from the South China Sea. Traders actually do not mind having their food products tested because what matters most is that members of the public can eat them happily without worries. We consider this of paramount importance.

On the other hand I was supposed to raise this question in the context of the next subject. Recently, some traders who are engaged in the Japanese catering business told me — they are fish suppliers — now Japanese traders have started to scramble for fish in the coastal areas of China. Why? The reason is, the Japanese may worry that fish produced in Japan has already been In Mainland China, including Guangdong, people scramble for fish for making sushi. The present price of fish is very high, but it will continue to rise. This is

because the price is being manipulated. Take vegetable as an example. Japan has already requested the Mainland to increase its supply. Such a situation proves that there is something which is beyond our control.

However, we know that Japanese exercise stringent control on imported food, which include strict regulation on fish from the Mainland. They have done a very good job in food safety. If they find any fish with parasites, they will even prohibit the importation of the whole batch of goods. So I hope that in this regard, the Government will also enhance inspection in Hong Kong. When we supported the establishment of the Centre for Food Safety back then, we hoped the Government would indeed pay more efforts in this aspect rather than just take a few samples or merely conduct 10 or eight random tests.

Deputy President, traders have also told me that at present, fishermen need to keep transaction documents for three months. We do not understand why it is necessary to keep them for three months. One month is already enough. What purpose does it serve to keep the documents for three months? The Government says that European countries require such records to be kept for six to 12 months. We are worried that in taking the documents along when the fishermen go fishing, what should be done if the documents get wet or if anything happens? Will there be problems with keeping the records? We are worried about this.

I hope that the training which the Government provides to the trade will not be limited to six months because a lot of things are changing. Regarding fish and vegetables, can the Government do some more work so that traders can really work at ease? When fishermen go fishing, they may not come back until six months later. They only have spare time during the fishing moratorium. The Government is very good in that it is willing to listen to our views and provide more training during the fishing moratorium. We find this acceptable. We hope that in this regard, the Government will bring a new opportunity to this industry with better work in food safety for Hong Kong people.

Thank you, Deputy President. I support this Bill.

MR WONG TING-KWONG (in Cantonese): Deputy President, speaking on public health, food safety is a very important factor. I support this Bill in principle, but I still have reservations about part of its contents.

At present, Hong Kong already has a number of laws which regulates food safety. In response to changes in society, corresponding amendments have been made to these laws from time to time for further improvement. Food incidents which happened in recent years have reflected the inadequacy of the authorities' regulation in food safety. As a result, the authorities have introduced this Bill, the main purpose of which is to establish a registration scheme for food importers and food distributors and require the keeping of records by persons who acquire, capture, import or supply food.

The spirit of this Bill lies with the keeping of records on the source of food. Should there be any problem with the food concerned, its source can be efficiently traced, thus serving an important function in monitoring food safety. Previously, the massive earthquake of magnitude 9 hit Japan with the subsequent huge tsunami, causing casualties and also triggering off the crisis of radiation leakage. The public started to feel the "imminent" impact of radiation in air and in food. The Government has earlier announced that some Japanese vegetables imported into Hong Kong have been contaminated by radiation and prohibited the import of food from certain areas in Japan. Such circumstances have made us truly understand the importance of food traceability.

The reason why I have reservations on part of the Bill is that the Bill requires food importers and distributors to be registered. Any person who, in the course of business, supplies food by wholesale in Hong Kong must record various pieces of information on the relevant supply. Information including the date the food was supplied, the name and contact details of the person to whom the food was supplied, the total quantity of the food, a description of the food, and so on, has to be put on record. To small and medium enterprises in general, it will undoubtedly increase their operational work. What worries the trade most is that such trivial procedures and unexpected circumstances may cause them to break the law inadvertently. This is really a grave concern for the trade.

I once raised a question. If a chef has by chance brought back a local product from his hometown, and he adds it into the dishes he makes so that his customers or gourmets can enjoy the delicious food. In this situation, does he need to keep records of the local product? If he does, there may only be very limited information which is traceable. Regarding this, the authorities advised that if the local product was used in the food supplied or sold to customers, it would be regarded as part of the business operation, and therefore it was

necessary to keep records for such food. I request that the authorities must carry out proper publicity and educational work to avoid traders bearing criminal liabilities and suffering innocently because they are not well aware of the relevant requirements and different situations may arise in their business environment.

Besides, the Bill confers on law-enforcement officers certain powers of arrest which enable them to make an arrest without a warrant, or use all reasonable means necessary to make the arrest, or take the person concerned to the police station for custody. In my opinion, this Bill seeks to establish a registration scheme similar to the system through which we apply for our identity cards. Is it necessary to allow law-enforcement officers to adopt such a mean and stiff approach? I must stress that at present, Hong Kong has already put in place a number of laws which regulate food safety. Regarding the Food Safety Bill, which will resume the Second Reading today, its main purpose is to establish a registration scheme for food importers and distributors and require the keeping of records by food traders. That is all. The trade and I have doubt about the need to confer such great powers on law-enforcement officers. I believe that traders will try their best to dovetail with the registration and record keeping requirements. It is indeed worrying if they will encounter such harsh law-enforcement actions during the process. I hereby convey to the authorities the traders' concerns in this respect.

With these remarks, Deputy President, I support the Second Reading and Third Reading of the Bill and the relevant amendments.

MR TOMMY CHEUNG (in Cantonese): Deputy President, the various food incidents which took place one after another in recent years have aroused wide public concern about food safety in Hong Kong. At present, the main legislation which regulates food safety in Hong Kong is the Public Health and Municipal Services Ordinance. However, nowadays environmental hygiene in Hong Kong as well as that in the world has already undergone considerable and drastic changes. We must keep abreast of the times and improve the deficiency in law.

An important content in this Bill is to provide for a registration scheme and record keeping requirements for food importers and distributors. The purpose is to establish a reliable system to trace the source of food supplies so that those sources which affect food safety can be eliminated. As we know, Hong Kong

has not developed agriculture itself. Almost all the food is imported into the local market from places all over the world through all kinds of channels. If there is not a sound system which can trace the source of food supplies, it is really hard to put members of the public at ease. Should there be a food incident, it is also difficult to cut off the source in time to prevent the problem food from spreading any further. As a result, the Administration formulated the Food Safety Bill to enhance its traceability in regulating food safety. This is supported by the Liberal Party.

In recent years, one of the criticisms against the Administration's governance was its lack of consultation before introducing its policies or legislation. However, before conducting the legislative work for this Bill, the authorities listened to the views of the trade. They also appointed a consultant to fully consult people in the various sectors concerned and assess the impact of the measures on the business environment of the trade so as to improve the final contents of the Bill. For this reason, I must take this opportunity to commend the Administration — particularly Secretary Dr York CHOW. This time I seldom argued with you, which was rare over the past seven years. From the preparation work before legislation to the whole legislative process, your performance has been satisfactory (at least to Tommy CHEUNG).

The catering trade especially welcomed the withdrawal of the original proposal to make it an offence for any person to obtain food from unregistered food importers or distributors, and the exemption for food traders who have already obtained a licence under the Food Business Regulation (Cap. 132X) from repeating their registration under this Bill, which have greatly reduced respectively the operational risks and administrative inconvenience of the trade. That shows the authorities' consultation work was effective in striking a balance between food safety and trade facilitation.

However, the only flaw was that fishermen were omitted in the consultation. Their practical difficulties in keeping records of their capture and places of origin had been neglected. Under the fishermen's strong request, the authorities still refused to extend the grace period of the legislation.

I understand that food safety is of great importance to members of the public. Coupled with the shadow of the nuclear crisis in Japan, the Food Safety Bill really needs to be implemented expeditiously without delay. Nevertheless, I

still hope the authorities will understand that fishermen may not be accustomed to the administrative work required by the new legislation. Initial enforcement after the six-month grace period should be carried out, as far as possible, with both compassion and reason. In the event of non-compliance, warning should be given first to allow them to have some room to gradually familiarize with the new legislation.

Actually apart from fishermen, I am also worried that owing to a lack of information, many operators of small and medium stalls may not know they are also bound by this piece of legislation. Usually they would not keep records of all the incoming food for a long time, probably due to limited space in their stalls. Hence, let me urge the authorities again to carry out extensive publicity and educational work for all the stakeholders before implementation of the legislation so that they will know how to tie in with the new legislation to avoid breaking the law inadvertently.

Besides, during the scrutiny we talked about a hypothetical situation where the chef of a restaurant or a food retail shop — as Mr WONG Ting-kwong has just mentioned — has brought back some ingredients from his overseas trip or from his hometown and privately used them in his restaurant or sold them. Should there be an investigation on the relevant ingredients, the operator will commit an offence if he fails to provide the source of the ingredients or food in question. I believe that many operators of restaurants or food retail shops are not aware that they must record information on the place of acquisition, name or address of the shop, and so on, for those ingredients which are not purchased through the usual procurement process. For this reason, I hope the authorities will ensure that the relevant message will be delivered to the restaurants or food retail shops when they publicize the scheme concerned.

To sum up, the Liberal Party supports this Bill to improve the food safety traceability mechanism in Hong Kong and protect public health with regard to food consumption. However, since the legislation will affect a wide range of stakeholders in great numbers, the authorities must carry out proper publicity work so that people at all levels will clearly understand the law.

With these remarks, Deputy President, I support the passage of this Bill.

MR WONG YUK-MAN (in Cantonese): Deputy President, during my participation in the scrutiny work of the Bills Committee on Food Safety Bill, I found it necessary to improve the preciseness and fluency of the legal provisions in the Chinese text.

At present, reading the Chinese text of the legal provisions is really distressing. Those who have a good command of Chinese do not understand, whereas those who have an average command of Chinese are at a complete loss. The clauses are difficult to read and hard to understand with lengthy phrases written in grossly Europeanized sentence structures. Many of our committee members were trained in the English language, and a number of them are barristers. Speaking of barrister, I remember that in the first year after I joined the Legislative Council, a barrister said during the year-end review that the most important job of a legislator was to take part in legislative work. If one did not participate in any Bills Committee, how could one claim to be a Legislative Council Member? Such a remark, of course, referred to us, since I did not join any Bills Committee in the first year. During my participation in the "referendum in the five geographical constituencies", I rested for a few months. So after I returned to the Council, I joined four Bills Committees. That is indeed a deadly boring job. Actually my original intention was to learn from those barristers, because during the scrutiny of the legal provisions, we have to conduct clause-by-clause examination, look into each phrase and sentence and study each word in detail. Such is their expertise.

I certainly needed to divide my four-year term into several stages. In the first stage I did not join any Bills Committee because at that time there were only the three of us, and we had to share out among ourselves the work in joining 18 Panels as well as a few subcommittees. At that time I knew very well that I would make trouble in the Council. So I joined the Committee on Rules of Procedure, but now I have been shut out, and the committee has then decided to straighten things out.

I handle my work by stages like this. Presently, I join several Bills Committees for the purpose of learning. I did not tell anyone off, nor did I raise my voice. Just now many people were brown-nosing. It was indeed a rare opportunity for the Secretary. So many people licked his boots. Mr Tommy CHEUNG did. So did Mr Fred LI, Chairman of our Bills Committee. In that

case, I do not need to follow suit, do I? He has already got the recognition. As so many people have licked your boots, why should I bother to do so?

Let us discuss some specific problems. As soon as I read the Chinese text of these legal provisions, I found serious problems. I once suspected if I was being too picky, but later, I found that I was not, because the meaning in the English text was very precise. It was only that the Chinese translation could not convey the meaning satisfactorily. Was that a problem arisen out of literal translation from English, or was it because the person who drafted the Chinese text of the legal provisions relied too much on the "guidelines"? For example, "decision" must be translated as "決定" whereas "determine" must be rendered as "斷定". It has been fixed in such a way on the "guidelines". However, matching the terms according to the "guidelines" may not necessarily be correct.

I have made a lot of efforts. It is a hard job to read such writings, but I read them seriously and carefully, hoping to find the answer during the process. The answer is actually very simple. That is, we should strive for fluency and preciseness, since everyone is affected by the law. People who are bound by the law should have the right to draw up the law. When we represent them to draw up the law, should we protect the interests of the majority who abide by the law? At least there cannot be any mistake in the understanding and interpretation of the legal provisions. Hong Kong has now adopted bilingualism — unless you dare to tell me that although a Chinese text of the law is available, the English text will prevail after all. You dare not say so, right?

The present practice is different from that of the past. In the past, of course the English text would prevail. In fact, in terms of choice of words and sentence structure, the English text is indeed more precise, I mean comparatively speaking. Otherwise Dr Margaret NG would shake her head and raise an objection. Yet comparatively speaking, the English text is indeed more precise than the Chinese text. Even though the work of preparing the Chinese text of the legislation is regarded as being in the initial stage (which has actually been developed for years), so far the way of working is still confusing and disorganized. Many people, with no desire to seek thorough understanding, simply muddle through. I have always been sensitive to words. For years I have been engaged in writing, responsible for revising other people's articles and correcting students' assignments, as well as editing and conducting interviews, all of which involve amending other people's Chinese writing. Hence, as "the

trouble of men is that they like to be teachers of others", I have prepared a proposal of amendments to the Chinese text of the Bill, which was forwarded to the Government via the Bills Committee for consideration. Eventually a few of my suggestions were accepted. My confidence was then boosted, but from that time onwards, government officials would have more trouble. Now every time when I attend a Bills Committee meeting, I would look into every phrase and sentence and study the Chinese text in depth.

If someone asks me, I will say that the present situation of Hong Kong is the best era of the rule of law which is ever experienced by Chinese societies in history. Mainland China has piles of notorious records for infringement on human rights. They only have rule by law, not rule of law. Although in Taiwan, the ruling political party has changed twice while democratic politics are well developed there, its spirit of rule of law is still not comparable to that of Hong Kong. This is an irrefutable fact. Hong Kong is an important pathway which links China with the world. This is not any "Big Hong Kong" ideology; rather, it is a fact which can be seen simply from the perspective of rule of law. Although the Mainland administers continental law which is different from the common law enforced in Hong Kong, it can still reference on the relatively sound legal system in Hong Kong. Under such special circumstances, Hong Kong has a historic responsibility, that is, to push Chinese societies forward towards the rule of law. Therefore, promoting the use of Chinese in Hong Kong laws is of great significance.

Let us turn back to the legal provisions which we are now discussing. One of the most important points is that the Chinese text is grossly Europeanized. What is meant by "gross Europeanization"? That means sentences are lengthy with the subject, predicate and object all mixed up together. As the provisions are translated from English, ambiguities often arise. If you have read Mainland newspapers of the past, you would find that such gross Europeanization in Chinese writing was very common back then. It is because at that time Marxist-Leninism and Maoism were advocated; and political considerations were the prime concern. Each piece of work was done with meticulous attention without skipping any word. Not a single word could be wrong. At that time the Kuomintang was no different from the Communist Party. I remember that when I was a news editor with *Hong Kong Times*, the Kuomintang's party newspaper, the word "中共" (Chinese Communist) must be separated from the word "中央" (Central Authorities) among the types in typesetting. If the two

characters "中" and "共" appear alone, one might get into big trouble anytime. If the word "中共" turned out to be "中央" or "中央" became "中共", one might really be decapitated. Thus, for the mention of the Chinese Communist, a single piece of type was particularly added for the word "中共" so that during typesetting, this two-character word "中共" would be picked out together and there would be no way to pick out "中共中央" (that means the Chinese Communist being the Central Authorities), as such typo errors happened all the time. Hence, not a single character could be wrong.

Writings of the Communist Party are excessively long. A single sentence may consist of as many as 40 to 50 Chinese characters, in which there is also the problem of gross Europeanization. An example is the indiscriminate use of words like "化" and "性"¹. For instance, does the caption "全國性教育會議昨日起在京舉行"² actually refer to a national sex education conference or a national (as differentiate from a district) education conference?

Such circumstances often exist in the legal drafting work which we are talking about right now. Some people say we should not be nitpicking because such circumstances are normal. Yesterday, at the meeting of the Bills Committee on Competition Bill, I argued heatedly with the law draftsmen. They follow the "guideline" indiscriminately, putting words and phrases together to form the legal provisions, without giving much thought to it. However, let me tell you, such an approach is not feasible. Clause 2(1) of the Food Safety Bill serves as the best example. According to the original Chinese text, "批發" (wholesale) "指向符合以下說明的人供應食物：該人在其經營的業務的運作中，為向第三者供應該食物或為安排向第三者供應該食物而取得該食物"³. I am eloquent, buddy, I do not have lazy pronunciation and I make clear pauses in my reading. Yet you are lost after listening to what I said. Deputy President, can you tell me what I said just now? I guess you cannot. This is what we call gross Europeanization. I believe even those university

¹ "化" is used as a suffix to a noun or an adjective to indicate something or somebody is acquiring or being made to have that quality, whereas "性" is a noun- or adjective-forming suffix denoting an abstract quality. (New Age Concise Chinese-English Dictionary, The Commercial Press, 2003)

² As "性" could be a suffix as well as a word which means "sex", the caption may denote "the national (sex) education conference has been held in Beijing since yesterday".

³ The English text reads, "wholesale" means the supply of food to a person who obtains the food for the purpose of supplying or causing to supply it to a third party in the course of business carried on by that person.

students with a good command of Chinese, who are observing the proceedings upstairs, also find it hard to grasp the meaning. Eventually, we must look at the English text to understand the meaning. That is what I have been doing now. Only by checking the Chinese text against the English can I discuss with them. As for the general public who do not know English, in the end they have no other ways but consult lawyers who would explain the English clauses one by one until they understand. We also have a few lawyers here. They will probably understand how serious this problem is.

Later, the amendment proposed by the Government had incorporated my advice and the wordings have to be revised as suggested by me: "批發(wholesale) 指向符合以下說明的人供應食物：該人取得該食物的目的，是在該人經營的業務的運作中，向第三者供應該食物，或是安排向第三者供應該食物". Barristers, is the meaning clearer? Actually I am not fully satisfied, but since we have to match the meaning in English, we cannot distort the original meaning. Regarding translation, do you think you are YAN Fu? His translation works include *Evolution and Ethics* (《天演論》) and *On Liberty* (《論自由》). He advocated faithfulness, expressiveness, and elegance (信達雅) as the criteria for translation. "Faithfulness" means fidelity and preciseness. "Expressiveness" refers to completeness, whereas "elegance" stands for graceful writing. How can we request the legal provisions to be written in a graceful style? It is simply impossible.

Sometimes the legal provisions of Mainland China and Taiwan will freak you out. Not only are the judgments of some courts loaded with adjectives. Sometimes they may even suddenly include a couplet. For example, "This is a highly vicious person who deserves the death sentence." We are really speechless. There will be no such case in English judgments. Hence, this is also a big problem. It is impossible for us to put in graceful phrases, adjectives or profound descriptions. Yet all in all, the translation must be faithful. Other than faithfulness, it should be fluently written so that it is easy for us to understand. After this clause has been amended as suggested by me, the flow is indeed much better. However, owing to the time constraint, I cannot seek to amend each clause. Some people may consider such an act as superfluous, but I do not think so. As some amendments have been as suggested, that proves that my act is not superfluous.

Clause 3(1) of the Bill is also put in a very weird way. Its original version was "本條例並不就任何並非擬供人食用的食物而適用".⁴ As this sentence was relatively short, it was not too hard to understand. However, if legal provisions are drafted in such a grammatical way, it would only lead to endless disputes in court in the future. Later, the Government amended the clause to read as "本條例就任何非擬供人食用的食物而言，並不適用". The meaning has become clearer. Actually there are many more such examples, but I do not want to waste time to continue to quote them.

Before the handover of sovereignty, the Department of Justice translated all the Hong Kong laws into Chinese within a short time. If they could not find any suitable word, they would create a new word or make a forced match. I remember Dr Margaret NG pointed out in an article that the law draftsmen had created the word "信納" as the rendition for the word "satisfied" because "satisfied" carries the legal connotation of "believe" (相信) and "accept" (接納). In this Bill I found that the authorities handled the word "period" by rendering it as "期間". This is also an act of making a forced match, which has affected the preciseness of the provisions. The expression "period of the capture" in the Bill is translated as "捕撈的期間". Having read the original text, I find a big problem with its meaning. It actually cannot convey the original meaning in English. The phrase "開會期間" (that means during a meeting) carries a definite meaning because there must be a period during which the meeting was held. Yet the meaning of the phrase "捕撈的期間" is rather ambiguous because the Bill has not laid down any definite time for the capture. During the deliberation, we argued over this point for a long time and wasted half an hour.

What I want to point out is that although Hong Kong is a society where the majority of the people are Chinese, there are numerous elitists who are proficient in both Chinese and English. Hence, the Legislative Council requires us to deliver our speech in either Chinese or English, and we should not use mixed language of the two to avoid posing difficulties for interpreters. However, if legal provisions can only be understood by the upper class or the more educated in society while the general public are unable to understand the spirit or inner meaning of the law through the Chinese version, that is indeed a big problem.

⁴ The English text reads, "This Ordinance does not apply in relation to any food that is not intended for human consumption."

Actually there are still a lot of things I would like to say, but to conclude, I hope the Department of Justice will set up a task force to review afresh the Chinese translation of Hong Kong laws and co-ordinate with the Court in handling the issue of promoting the use of Chinese in laws. I have also noticed and discussed with lawyers the fact that at present, many precedents which are uploaded on the Internet are available only in English and not in Chinese. I do not understand why the authorities have not thoroughly dealt with this issue. However, on second thought, it is not hard to imagine the difficulties involved. After all, where can we find so many people to do the translation work? As we can see, people who are involved in the work of the Bills Committees are all outstanding. They are the staff of the Department of Justice, responsible for law drafting work. Yet they have advised that it is difficult to make any substantial improvement, and that they can only work on the English version. So the problem is by no means small. As a result, I think the Secretary for Justice should set up a task force to study this problem. I hope that when we scrutinize the laws in the future, the Chinese legal provisions submitted can convey clearer meaning. Paul once also argued over the meaning of a word or a phrase for half an hour. That was indeed a big wastage of time. Thank you, Deputy President.

MR ALAN LEONG (in Cantonese): Deputy President, Mr WONG Yuk-man has just said that during the scrutiny of the Bill, he found the flow of the Chinese text barely satisfactory, and he felt unhappy or frustrated about it. Actually many Members who are involved in the scrutiny of bills in the Bills Committees shared the same view.

Of course, we need to understand that after all, English and Chinese are two vastly different languages. It is indeed much more precise and logical to think in English. This has something to do with the language itself. In expressing emotions and depicting atmosphere, Chinese can easily attain the level of forming a picture between the lines. However, in drafting the laws in Chinese, it really requires a lot of skills to achieve preciseness without making the writing sound awkward or clumsy.

I agree with what Mr WONG has said, there is much room for the Department of Justice to improve in this area. In fact, in the past few years when I had the chance to contact fellow lawyers on the Mainland, they made the same criticism. That is, the Chinese versions of Hong Kong laws are actually

not Chinese. I very much agree to this. If one can simply take a look at the Chinese version and understand it without referring to the English version, one is indeed incredible. It is by no means an easy task.

I remember that Mr Tony YEN, former Law Draftsman, said before he retired that the present period could be regarded as a transitional period. If more time, talents and manpower were available in the future, the Chinese text might be reviewed all over again in the hope that the Chinese version of the laws could stick closer to practical Chinese writing so that laymen would also find it comprehensible. I hope this is one of the objectives which the Department of Justice will strive to achieve.

Back to the Food Safety Bill. In recent years Hong Kong people have really suffered a great deal from food safety problems. Deputy President, as you may remember, incidents of melamine-tainted milk, freshwater fish with malachite green, duck eggs with Sudan dyes, and so on, which occurred one after another, were livelihood issues which have seriously affected our daily lives. The Government is responsible for effective protection of food safety through amending the relevant legislation. The Civic Party considers that the Government's work in monitoring food safety in the past was insufficient. The authorities have the duty to improve the existing supervision approach and trace the source of food more effectively through legislation.

The introduction of the Food Safety Bill by the Government can be regarded as a kind of belated awareness, but it is better than a complete lack of awareness. I hope the authorities will be more active in protecting food safety in Hong Kong in the future.

During our scrutiny of the Bill, we witnessed that at first a lot of traders were quite resistant. Later, as they were willing to shoulder social responsibilities, coupled with repeated explanations given to them by the Government officials concerned, they eventually consented to this Bill, placing public health as their important consideration. However, I still hope that the authorities or the Secretary would understand that some traders will have difficulties trying to follow the overall framework or guidelines of the Food Safety Ordinance. I believe they would encounter lots of problems, especially at the very beginning of the implementation of the Ordinance.

During the scrutiny process, two groups of people had specifically indicated that they needed more assistance. One of them was vegetable farmers. They had requested for exemption from being covered by the Food Safety Ordinance. Of course, I understand that this is difficult because under the relevant registration scheme, they are regarded as food producers. Despite this, the Civic Party very much hopes that the Government can offer more assistance, especially to local vegetable farmers. In particular, in the initial period of implementation of the Food Safety Ordinance, the Government should look more deeply into the difficulties faced by them during their daily operations in meeting the obligations required by the Food Safety Ordinance, and offer them as much assistance as possible during their operations in due course.

During our scrutiny process, we also learnt from fishermen that there would be difficulties in applying the Ordinance to their trade. A number of fish farmers and fishermen found it difficult to adapt in practice to the work of keeping transaction records and capture records for live fish. Having heard their explanation, I consider their views reasonable, since it is indeed not easy for them to get used to this new mechanism instantly or within a short time. I hope the authorities would make use of the fishing moratorium from May to August to step up the assistance provided to fishermen so as to alleviate their sufferings during the adaptation period.

The Civic Party certainly supports the requirement in the new legislation that all food importers and distributors shall register with the Food and Environmental Hygiene Department. Food distributors also have to inform the authorities of the types of food to be distributed before they carry on any food distribution business in Hong Kong. Such an arrangement can indeed facilitate the Government to expeditiously identify and contact specific food traders in the event of food incidents.

The Civic Party has all along supported the introduction of a food traceability mechanism so that the whole process for food from farm to table can be effectively monitored. In order to trace the source and movement of problem food, all food importers and distributors should keep records of the business from which the food was obtained and the business to which it was supplied. The authorities can trace the source and suppliers of food through these transaction records. Even if the authorities have to enforce an order of recall or other orders

to prohibit the sales, the scope of food affected can be reduced. These are principles supported by the Civic Party.

Lastly, I express on behalf of the Civic Party our support for this Food Safety Bill. Apart from fishermen and vegetable farmers who wish the authorities to offer them as much assistance as possible during the initial period of implementation of this Ordinance, we also hope that the authorities would minimize the inconvenience posed to them during their adaptation to this new law, and at the same time reduce their misunderstanding of the law to avoid non-compliance.

Deputy President, I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Food and Health to reply. This debate will come to a close after the Secretary has replied.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, the Food Safety Bill (the Bill) which the Legislative Council is going to pass today will be a new milestone for Hong Kong's food safety policy. I especially wish to thank those Legislative Council Members who have all along been concerned about food safety, as well as members who scrutinized the Bill. We are able to submit the Bill to the Legislative Council for endorsement today solely because of all those expectations, supervision and spurs in respect of food safety which you have put forward to the Government for years, thereby enabling us to enact this Ordinance.

The Government has been committed to enhancing the food safety level to protect public health through a multi-pronged approach. Our work includes:

- (a) formulating and updating the legislation to enforce regulation;

- (b) conducting random checks to monitor food in the market and at control points and enforcement against problem food;
- (c) maintaining close liaison with regulatory authorities of the main places of origin of food (including the Mainland) and early monitoring at source; and
- (d) enhancing consumer education and communication with the trade.

Regarding legislation, since 2004 the Government has introduced or amended 11 pieces of food-related legislation, which include: legislating in 2005 to prohibit the use of malachite green; legislating on nutrition labeling in 2008 to require pre-packaged food to label the "1+7" nutrition information; and introducing in 2009 of the Public Health and Municipal Services (Amendment) Ordinance 2009 (the 2009 Amendment Ordinance) to empower the Director of Food and Environmental Hygiene (DFEH) to make orders to prohibit the import and supply of problem food and order the recall of such food.

In 2006, the Government set up the Centre for Food Safety (CFS), which is exclusively responsible for handling food safety work and liaising with Mainland and overseas authorities in charge of food safety. Each year the CFS took about 65 000 food samples from the market for testing. In the event of food incidents, our colleagues in the CFS would work round the clock. With regard to the recent Japanese food safety problem over which members of the public have shown concern, our colleagues in the CFS have acted as the gatekeeper, conducting radiation tests on food imported from Japan. After the CFS detected on 23 March that the radiation level in three samples of Japanese food imports exceeded the guideline levels of the Codex Alimentarius Commission, DFEH promptly invoked the power conferred by the 2009 Amendment Ordinance to make an order to prohibit the import of fresh food and milk products from five prefectures in Japan (Fukushima, Ibaraki, Tochigi, Gunma and Chiba) as well as prohibit the supply of such food into Hong Kong on or after 11 March. This is of great help to maintaining people's confidence in food safety.

The Bill plays a crucial role in respect of improving our food safety regulatory mechanism. It is also one of the important tasks of the current-term Government. The purpose of the Bill is to introduce a food traceability mechanism to ensure that in the event of a food incident, the authorities can

promptly and effectively trace the source of the problem food and take follow-up action, thereby protecting public health. As far as traders are concerned, early identification of the root problem can greatly reduce the impact on them.

The Bill was read the Second time in the Legislative Council on 2 June last year. The Bills Committee on the Food Safety Bill (the Bills Committee) held a total of 12 meetings, during which provisions of the Bill were scrutinized in detail and many valuable opinions were given. Here, I would like to express my heartfelt gratitude to Mr Fred LI, Chairman of the Bills Committee, and the other members for the time and effort they have spent on the Bill. I am also very grateful to the various deputations for the concerns and suggestions raised by them during the scrutiny period.

The Bill will establish a registration scheme for food importers and food distributors; require food traders to maintain proper transaction records to enhance food traceability; confer power for regulations to be made to tighten import control on specific food types; and incorporate into the new Food Safety Bill the relevant provisions in the 2009 Amendment Ordinance passed by the Legislative Council to empower DFEH to make orders to prohibit the import and supply of problem food and order the recall of such food.

The food traceability mechanism introduced by the Bill is complementary to the current Food Surveillance Programme, providing comprehensive protection of food safety along the whole food supply chain. Last year the overall satisfaction rate of the tests under the CFS's Food Surveillance Programme was 99.7%, reflecting that food safety in Hong Kong is maintained at a high level.

(THE PRESIDENT resumed the Chair)

The CFS's Food Surveillance Programme can effectively monitor whether the food for sale in the market complies with the legal requirements and whether it is fit for human consumption. Should there be a food incident, DFEH can trace the source of the problem food and the situation of its distribution through the records kept by food traders as required by the Bill. Under the registration scheme of the Bill, DFEH can also identify and contact food importers and distributors dealing with the same type of food. All these can help DFEH to

accurately assess the scale of the incident and movement of the food in question, as well as the necessary follow-up action to be taken. To enable members of the public to obtain the latest information, the CFS will also publish on a regular basis the work of tracing and testing problem food.

Owing to the wide coverage of the Bill and its considerable impact on the whole food trade, we have conducted extensive consultation before introducing the Bill. We have also especially appointed a consultant to carry out a business impact assessment to ensure that the proposals in the Bill are practicable and in line with the operations of the food trade. Thus the trade is generally supportive of the Bill.

I am very glad that the Bills Committee recognizes our thorough consultation work which has facilitated a relatively smooth scrutiny process.

At the meetings of the Bills Committee, Mr WONG Yung-kan relayed to us the concerns of the agriculture and fisheries sectors over the Bill. As far as fishermen are concerned, Mr WONG was worried that they would have difficulties in complying with the record keeping requirements. For this reason, we launched a six-week pilot scheme for fishermen from July to September last year. The pilot scheme has demonstrated effectively that the record-keeping requirements for fishermen under the Bill are practicable. The Government will make use of the fishing moratorium from mid-May to the end of July this year to provide training to fishermen in order to assist them in getting prepared to comply with the record keeping requirements.

Just now a Member questioned whether we could ignore from where the fish was captured. Actually we have already divided Hong Kong waters into different zones so as to provide convenience to fishermen in keeping records of places of capture, because some places will indeed carry considerable risk of, for example, ciguatoxin. Therefore in this regard, such a practice is necessary for special reasons.

Mr WONG also relayed to us local farmers' concern. The farmers remarked that the individual co-operative societies operated by them would distribute their agricultural products at the Vegetable Marketing Organization. Since the co-operative societies already had sufficient information for the Government to trace the source of food, they requested that farmers be exempted

from registration. We met with the farmers a number of times to explain the purpose of the Bill and the various requirements. Regarding those farmers who supply agricultural products by wholesale, since they fall within the definition of food distributor, they must register and keep supply records. After communication, farmers are generally supportive of establishing a traceability mechanism. We have also undertaken to organize training courses for farmers to help them understand the arrangements under the Bill. We can also take this opportunity to promote agricultural development in Hong Kong.

As the various parties are ready, we have started to carry out more publicity for the implementation of the Bill. After the passage of the Bill, the CFS will launch a large-scale publicity campaign to enhance public awareness of the various requirements of the Bill. The publicity campaign will include briefing sessions in the 18 districts, especially targeted at small food traders, such as producers of agricultural and fishery products, tenants of public market stalls and tenants of wholesale markets, explaining to them the requirements of the Bill. The Food and Environmental Hygiene Department (FEHD) will also set up an enquiry hotline and a website for the Bill to provide the trade and the public with detailed information.

We plan to announce by notice in Gazette according to clause 1(2) of the Bill that the Bill will come into operation on 1 August this year. The CFS will accept applications for registration from food importers and distributors from that day onwards.

However, to allow sufficient time for food traders to adapt to the new requirements, the Bill provides a six-month grace period. Penalties for non-compliance with registration requirements and the record keeping requirements will be implemented upon expiry of the grace period. In other words, although the Bill will come into operation on 1 August 2011, the full commencement date is 1 February 2012.

It is expected that after the Bill comes into operation, a large number of food importers and distributors will submit applications for registration. At the request of the Bills Committee, the CFS has undertaken that for applications received within the first four months of the six-month grace period, approval will be granted by DFEH before expiry of the grace period, provided that all the required information has been submitted by the applicant. For applications

received within two months before expiry of the grace period, the lead time for granting approval will depend on the number of applications received then.

Upon expiry of the six-month period, when most traders have been properly registered, approval will be granted by DFEH within seven working days on receipt of all the required information. The FEHD will remind registrants in writing to apply for renewal of registration prior to the expiry of the three-year validity period of the registration so as to avoid them breaking the law inadvertently.

The Bill empowers the Secretary for Food and Health to formulate regulations on the import of specific food types so as to improve the regulation of food with greater risks.

The existing legislation has imposed import control on game, meats and poultry. We propose to extend the import control to cover poultry eggs and aquatic products, and we are consulting the trade on the proposal. After the Bill has been endorsed, the plan on the regulation of poultry eggs will be submitted to the Legislative Council Panel on Food Safety and Environmental Hygiene in May.

The Bill, which requires food traders to keep records of food sources, will help to enhance consumer protection and at the same time reduce the operational risks of the trade. Take the recent Japanese food safety problem as an example. To our knowledge, most Japanese restaurants in Hong Kong which used to import food ingredients from Japan have already switched to use ingredients from other places (including the Mainland, North America and different European countries). Even if the ingredients originate from Japan, they will select those which come from places like Hokkaido or Kyushu, which are far away from the disaster-stricken areas. Hence, the Government will continue to check each batch of food products which come from Japan. At the same time we also hope that the trade will maintain transaction records of their food sources so as to protect consumer interests. Thus the requirement for food traders to keep records of food sources under the new Food Safety Ordinance will help the authorities understand and confirm such arrangements.

I would also like to take this opportunity to remind the trade that it is important to select food sources and suppliers carefully. The Bill requires food

traders to keep records of both upstream and downstream business. Information on the documents of those who sell food of unknown origin is likely to be inconsistent, and the food traders involved may commit an offence as well. I need to stress that this covers the so-called "couriers" mentioned by Members just now. The Bill stipulates that DFEH needs to make the register of food importers and food distributors available for public inspection. As a result, the public (including food traders) will have full access to the register to check the status of their trading partners, thereby avoiding purchases of food of unknown origin, and thus protecting consumers and food traders. Besides, since those who imports food of unknown origin, that means "couriers", usually will not register under the Bill, they may commit an offence for importing food without complying with the registration requirements.

President, the Special Administrative Region Government has always been concerned about food safety. As I firmly believe that the proposals in the Bill have gained the support of the trade and members of the public, I implore Members to support passage of the Bill and the various amendments proposed by the Government so as to further enhance the food safety level in Hong Kong.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Food Safety Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Food Safety Bill.

Council went into Committee.

Committee Stage

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

FOOD SAFETY BILL

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Food Safety Bill.

CLERK (in Cantonese): Clauses 1, 4 to 29, 31 to 53, 55 to 63, 65, 66 and 68 to 73.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the above clauses which have been read out stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Clauses 2, 3, 30, 54, 64 and 67.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Chairman, I move the amendments to clauses 2, 3, 30, 54, 64 and 67 of the Food Safety Bill (the Bill) as set out in the paper circularized to Members. Now I am going to give a brief outline of the various amendments.

First of all, we propose to amend the definition of "food" in clause 2 of the Bill so as to clearly express the policy intention adopted by us all along, that food products which cannot be classified as medicine as defined by section 2(1) of the Pharmacy and Poisons Ordinance (Cap. 138) or Chinese herbal medicine or proprietary Chinese medicine as defined by section 2(1) of the Chinese Medicine Ordinance (Cap. 549) are regulated under the Public Health and Municipal Services Ordinance (Cap. 132) and the new Food Safety Ordinance as general food products.

We also propose making the same amendment to the definition of "food" in Cap. 132 to achieve consistency through revising clause 64(2) of the Bill.

With the above amendment to the definition of "food", the definition of "drug" in clause 2 of the Bill is no longer required. We will make the relevant amendment for its deletion. In this regard, no consequential amendment to Cap. 132 is required as there are other provisions in Cap. 132 concerning the regulation of drugs.

As stipulated by clause 3(3) of the Bill, the new Ordinance does not apply in relation to the propagation or promotion of growth of live aquatic products in captivity. We consider that the stipulation in clause 3(3) should correspondingly apply to the presumption in Cap. 132. As such, we will amend clause 67 of the Bill to add a new subsection to section 67 of Cap. 132 to provide that live aquatic products are presumed not to be intended for sale for human consumption, or for manufacturing products for sale for human consumption, while they are in captivity for the purposes of propagation or promotion of growth.

We will also take this opportunity to make certain amendments to the Chinese text of the Bill, including the definitions of "drink" ("飲品") and "wholesale" ("批發") in clause 2, as well as clauses 3(1), 3(3), 30(2)(b) and 54(1); and through amending clause 64(1)(a) of the Bill, incorporate the revised Chinese definition of "drink" in clause 2 of the Bill into Cap. 132 for consistency of the two relevant pieces of legislation.

The Bills Committee have conducted detailed discussion on the above amendments and consented to such amendments. I hope Members will support these amendments.

Thank you, Chairman.

Proposed amendments

Clause 2 (see Annex I)

Clause 3 (see Annex I)

Clause 30 (see Annex I)

Clause 54 (see Annex I)

Clause 64 (see Annex I)

Clause 67 (see Annex I)

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Food and Health be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the amendments passed.

CLERK (in Cantonese): Clauses 2, 3, 30, 54, 64 and 67 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 2, 3, 30, 54, 64 and 67 as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): New clause 69A

Section 139 amended
(Obstruction of officers in
the exercise of their duty).

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Chairman, I move the Second Reading of new clause 69A to incorporate the amendment to the Chinese text of clause 54(1) endorsed by Members into Cap. 132 for consistency of the two relevant pieces of legislation.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That new clause 69A be read the Second time.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That new clause 69A be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): New clause 69A.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Chairman, I move that new clause 69A be added to the Bill.

Proposed addition

Clause 69A (see Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That new clause 69A be added to the Bill.

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

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Schedules 1 to 5.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That Schedules 1 to 5 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bill: Third Reading.

FOOD SAFETY BILL

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the

Food Safety Bill

has passed through committee with amendments. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Food Safety Bill be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Food Safety Bill.

MOTIONS

PRESIDENT (in Cantonese): Motions. Proposed resolution under the Legal Aid Ordinance.

I now call upon the Secretary for Home Affairs to speak and move the motion.

PROPOSED RESOLUTION UNDER THE LEGAL AID ORDINANCE

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I move the motion standing in my name on the Agenda.

In accordance with sections 5 and 5A of the Legal Aid Ordinance, legal aid under the Ordinary Legal Aid Scheme (OLAS) shall be available for any person whose financial resources do not exceed \$175,800. Legal aid under the Supplementary Legal Aid Scheme (SLAS) shall be available for any person whose financial resources exceed \$175,800 but do not exceed \$488,400.

We have completed the five-yearly review of the criteria for assessing the financial eligibility of legal aid applicants. In response to the appeals of the members of the community, after consulting the Legal Aid Services Council, the Legislative Council Panel on Administration of Justice and Legal Services, legal professional bodies and the related parties, we now move the motion, proposing that the financial eligibility limit under the OLAS be increased from \$175,800 to \$260,000, and the financial eligibility limit under the SLAS be increased from \$488,400 to \$1.3 million.

I invite Members to support the motion.

The Secretary for Home Affairs moved the following motion:

"RESOLVED that —

- (a) the Legal Aid Ordinance (Cap. 91) be amended as set out in the Schedule; and
- (b) this Resolution is to come into operation on a day to be appointed by the Secretary for Home Affairs by notice published in the Gazette.

Schedule

Amendments to Legal Aid Ordinance (Cap. 91)

1. Section 5 amended (Persons eligible for legal aid)
Section 5(1) —
Repeal
"\$175,800"
Substitute
"\$260,000".
2. Section 5A amended (Supplementary legal aid)
Section 5A(b) —
 - (a) Repeal
"\$175,800"
Substitute
"\$260,000";
 - (b) Repeal
"\$488,400"
Substitute
"\$1,300,000"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Home Affairs be passed.

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

DR MARGARET NG (in Cantonese): President, as the Secretary has just said, this motion seeks to increase the financial eligibility limits of legal aid applicants following a five-yearly review.

President, I believe Honourable colleagues also know that in respect of the financial eligibility limits of legal aid applicants, the Government conducts a small-scale review every year, a median-scale review once every two years and a comprehensive review once every five years. An annual review is to take account of the movement in the Consumer Price Index; a biennial review is to determine whether adjustments are required while a five-yearly review is to make substantial amendments.

President, although we have no disputes over this motion today and I believe that this motion will be unanimously supported, we have actually been striving for the amendments for a long time, and this is the outcome of persistent fighting by people from various sectors in the Panel on Administration of Justice and Legal Services. In reviewing the information, I found that the Panel has been asking for a comprehensive review of the Legal Aid Scheme since 2001. The issues that we request for a review include the financial eligibility limits mentioned today, the scope of the Supplementary Legal Aid Scheme (SLAS) and the need to enhance and improve the free Legal Advice Scheme or legal advice services under the Legal Aid Scheme. The principles proposed by us, especially with regard to the eligibility limits and the scope of legal aid, is that in upholding the rule of law in Hong Kong, people who have reasonable grounds for pursuing legitimate interests or defending a legal action, even if they do not have the financial means, they should be given support as far as public policies are concerned and they should be provided with financial assistance within the economic means of the SAR. However, we do not think that the current Legal Aid Scheme can achieve this objective.

Concerning the free Legal Advice Scheme, we have particularly noted that there are many unrepresented litigants. It is difficult for them to seek justice in the course of complicated civil proceedings, and they impose heavy burden for other litigants and the Court. For this reason, President, the Panel has been discussing with people from various sectors since 2001, hoping that the

Government can improve the relevant policy. Our work includes collecting the views expressed by various sectors to the Panel or voiced on other occasions outside the Panel. People who have raised their views include the legal profession, labour sector, human rights organizations and social organizations, especially some associations of social organizations. They have submitted specific proposals to the Panel, advocating strongly the needs of the community and the deficiencies of the current Legal Aid Scheme, using practical and real life examples, and supported by legal and human rights justifications.

The Panel has forged greater consensus after years of discussion. Apart from listening to the views expressed by people from various sectors, we have expanded the scope of review and proactively listened to the views of the community concerning the scope of or issues for review. We have taken the initiative to conduct researches, comparing our legal aid scheme and the allocation of our public funds with other more civilized places that are ruled by law, so as to find out how far we are lagging behind and what resources we lack.

In fact, after years of discussion, it has become increasingly clear that our rationale is strong and more and more people have reached a consensus. However, we still cannot get what we have been fighting for after all these years. There are various counter arguments on each occasion, especially in respect of the proposed expansion of the scope of legal aid. An excuse often used by the Government is that supplementary legal aid aims at self-financing. Thus, we should do nothing more because we already have a balanced situation.

President, there was only a turn for the better after 2010. In 2010, we proposed that the financial eligibility limits of legal aid applicants could be increased more substantially in the five-yearly review. We were informed of the progress in connection with the scope of the SLAS in July. President, as the motions discussed today, including this motion and the following motion, merely touch upon the financial eligibility limits, I will only focus my discussion on this issue today; and I will discuss the scope of the SLAS when an opportunity arises in the future.

President, the Government told us in March as we also know, the current legal aid schemes actually comprise two different schemes, namely the Ordinary Legal Aid Scheme (OLAS) and the SLAS. The target of the SLAS is the sandwich class but not the grassroots. In March, the Government proposed

that the financial eligibility limit under the OLAS should be increased from \$175,800 to \$260,000, which is a larger rate of increase as compared with that of last year; and it also proposed that the financial eligibility limit under the SLAS should be increased from \$488,400 to \$1 million. These changes were proposed at that time. How were these amounts calculated? The so-called assets include subtracting essential living expenses from incomes, which is a very important point. If the amounts calculated are too low, many people will exceed the limits in a different form; but if the amounts are more reasonably calculated, those who would originally exceed the limits would then become eligible. The Government has agreed to the amendment that we have long been striving for, that is, changing from the 35-percentile household expenditure to the median household expenditure. Actually, the academics do not quite agree to use the median household expenditure but that is proposed by the Government. Furthermore, the Government has proposed that the savings of legal aid applicants aged 65 or above who have reached retirement age should be disregarded in computing their financial eligibility limit under the OLAS.

At that time, the Panel and people from other sectors considered this rate of increase inadequate. The Legal Aid Services Council (LASC) has also remarked that the financial eligibility limit under the SLAS should be increased to \$1.3 million. Nonetheless, the Hong Kong Bar Association (Bar Association) thinks that \$1.3 million still fails to reflect the reality. President, what is their opinion? We only focus on discussing financial capacity. How poor are the applicants who lack the financial capacity? The LASC considers that the limit should be set at \$1.3 million because it is the costs involved in general legal proceedings. The LASC thinks that a person who does not have \$1.3 million can hardly afford to pay the legal fees for ordinary cases. Yet, the Bar Association has reminded us that, for judicial proceedings in Hong Kong, a person not only needs to pay the legal fees; he has to take into account court costs that he has to pay for the other party if he loses the case, which is often the most restrictive element.

Therefore, according to the Bar Association, a person should use a multiplier to calculate the expenses. Besides his own expenses, he also has to put aside the same amount for the expenses of the other party. For this reason, the Bar Association considers that an appropriate limit should be approximately \$3 million. Correspondingly, the financial eligibility limit under the OLAS should be \$500,000.

As regards the retirement age, the Bar Association holds that it should be set at 50 rather than 65. With the advance of age, when we were young calculating on the basis of our salary today, we expect a wage increase next year and that we will continue to have wage increases. However, when we have reached a certain age, we must spend less and save a little more for our retirement. Thus, the Bar Association thinks that this limit should apply when legal aid applicants have reached 50 years of age.

Some Honourable colleagues have similar opinions. As far as I remember, Mr TAM Yiu-chung thinks that the formal retirement age should be 60, so we should not use 65 years of age as the basis for calculation. In this connection, the Panel thinks that the proposal of the Government is still unsatisfactory and there is still room for improvement — according to Mr WONG Yuk-man, this is gross Europeanization of language. In fact, we can just use the word "improvement" and we need not use the expression "room for improvement".

The Government has made efforts after listening to Members' views, while it has not further increased the financial eligibility limit under the OLAS, it has increased the financial eligibility limit under the SLAS from \$1 million to \$1.3 million, and lowered the exemption age to 60 years of age. Nonetheless, we think that the rationale is still not strong enough, and we hope that further improvement can be made in the future.

President, I would like to point out specifically that this means test is different from that for the Comprehensive Social Security Assistance (CSSA). A person having certain assets can receive CSSA payments if he is eligible. However, not all eligible persons would be granted legal aid.

First, as the Government has clearly stated, increasing the financial eligibility limits is not necessarily related to the number of legal aid cases granted. It is because an applicant will not institute legal proceedings for no reasons; there must be a case and the details of the case will be examined; legal aid will only be granted when it is considered that the applicant will most probably win the case.

For this reason, the financial eligibility limits actually create a barrier. If a person cannot pass the line, that is, if his assets are above the line, his

application will basically not be considered. A person can only try to apply if he is below the line. The key issue is not how this asset line is drawn, but the scope of legal aid, especially the scope of the SLAS. If a person meets the asset eligibility requirements but the scope of legal aid is merely restricted to personal injury and professional indemnity cases while his case falls within another scope, he needs not apply because he will not be granted legal aid.

We should discuss the scope of legal aid some other time. President, I am elated because after months of discussion, we begin to see some light and the Government has made some policy decisions. As announced by the Government a few days ago, the scope of the SLAS would be extended to a certain extent. We will have detailed discussions in future if given the opportunity.

On the other hand, I would like to draw the attention of Honourable colleagues to the amount of contribution. The community may not understand what a contribution is. Many people think that an applicant who has been granted legal aid can have all litigation costs waived; which is not true. First, he has to pay a contribution. Under the SLAS, if the case is won, part of the amount awarded will be deducted and paid into the Supplementary Legal Aid Fund, so as to help other needy persons in future. Even if the applicant has won the case, he may be required to pay the legal costs ordered by the Court. Even though the other party should pay the legal costs, the applicant should also bear part of the legal costs, known as "basic legal costs".

Summing up these points, an applicant who has been granted legal aid will not have all litigation costs waived. What purpose does legal aid serve then? It sets an upper limit to the legal costs borne by the public, so that they will not find themselves in a fathomless pit. In case the proceedings are unsuccessful, a person only needs to pay a contribution and he needs not worry that he will go bankrupt.

Nevertheless, President, the increase in the financial eligibility limits also affects the amount of contribution. Under the OLAS, the maximum amount of contribution is \$43,950, but it is going to be increased to \$650,000.

Hence, even though the financial eligibility limits are increased to allow more applicants to be granted legal aid, I have asked the Director of Legal Aid to

give some examples on the amount of contribution, for example, in resolving labour disputes. We sometimes realize from practical examples that we may get not much though we have paid a lot. A person may ultimately only get slightly more than \$10,000 though he should be awarded a compensation of \$40,000.

President, there is still plenty of room for improvement, and I hope that the Government would continue to consider the issue. Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): President, the issue that the sandwich class cannot enjoy judicial justice has continued for many years. Before Mr Paul CHAN has become a Legislative Council Member, he was once the person-in-charge of the Legal Aid Services Council and I believed that he had received our petition letter. Mr Paul CHAN and I were not Legislative Council Members at that time.

There is a huge demand for the relevant services in the community. The sandwich class often complains that they have always been responsible taxpayers and they have never complained about paying tax to support the grassroots, however, they are frequently deprived of one essential thing, that is, justice under the law.

As a member of the legal profession, I know that litigation costs are too expensive for many people. In cases that I have handled before, the parties who seek help include ordinary people and even university professors. Some of them are lawyers but they dare not initiate legal proceedings for they understand very well that, even though they win the case in the first trial, if the other party is wealthy and files an appeal, they may not win in the second trial. In that case, they may have to file an appeal and they may eventually lose their litigation costs. Some people may initiate legal proceedings because they want to pursue justice or they consider themselves justified and will not lose the cases; yet they have ultimately gone bankrupt. I have come across many miserable cases. Some people have spent more than 30 years of their lives on legal proceedings in pursuit of justice, and eventually they are a bit distraught. In some of the cases that I have handled, the parties find the huge litigation expenses unaffordable halfway through the proceedings but they do not want to give up, so they committed suicide. Therefore, extending the scope of legal aid is the focus of my work after I have joined this Council. The first motion debate that I

proposed in this Council requested the Government to extend the scope of legal aid and rationalize the assessment of the financial eligibility of legal aid applicants.

In handling the cases, we have actually found that the Government has made certain changes. Just like other Honourable colleagues, I find this rather heartening. However, the Lehman Brothers incident broke out soon after the commencement of the current term of this Council. All victims in the Lehman Brothers incident belong to the sandwich class, and none of them is eligible to apply for legal aid. There is also a very slim chance for them to apply for remedies under the Consumer Legal Action Fund. In these complicated legal actions, many people involved fail to put up with the pressure of family and work. Some of them have lost their jobs, followed by divorce because their pursuit of justice is not recognized by their family members. I have not exaggerated these cases; there are many similar cases if we look around.

For this reason, I think that legal aid the sandwich class has a wide spectrum now, and most people claim that they belong to the sandwich class. Nevertheless, they get nothing in this connection. We should be happy today because the Government has responded to our appeals after all. First, in respect of the scope of coverage, in the past, legal aid was restricted to services related to dentists and lawyers, and the scope was very narrow. As currently proposed, the scope will be extended to cover the professional negligence of other professions such as accountants, architects and even estate agents. The scope will also include first-hand residential property transactions.

I think two areas of this proposal still need to be explored. The first area involves the new Land (Compulsory Sale for Redevelopment) Ordinance. Many people, especially elderly persons, are often affected by the compulsory sale, and they may not be willing to accept the sale by auction. For this reason, they really need legal advice to understand clearly their legal interests. If there are adequate services, at least these people will not be involved in lawsuits in a daze. They actually cannot bear the consequences. The second area involves lawsuits such as those concerning the Lehman Brothers incident. I think the current legal aid schemes fail to systematically handle numerous large-scale cases involving victims seeking help.

The Secretary should carefully consider these two areas. I have assisted quite a few Lehman Brothers victims and I found that they have encountered

rather complicated situations when they applied for the Consumer Legal Action Fund. Can the Government think of more flexible ways to handle such cases? The Government has actually explained why the coverage of legal aid cannot be extended to all cases, as the Fund may then become bankrupt. I believe Honourable colleagues understand that legal aid serves Hong Kong people and we do not want the schemes to go bankrupt. Will the Government consider improving the method of calculation? For instance, after the allocation of additional resources, can consideration be given to employing more full-time lawyers so that some cases need not be contracted out to barristers or senior barristers in the private sector? We can actually help the parties concerned solve their problems at the initial stage, so that they need not spend money on lawsuits. I hope that the authorities concerned can further consider providing assistance in this aspect.

It appears that the financial eligibility limit has been considerably relaxed. In terms of percentage, there is almost a 50% increase as the amount has increased from \$175,800 to \$260,000. Yet, taking into account the factors of inflation and the savings of an ordinary family, \$260,000 is a basic amount. In my opinion, the limit should at least be increased to \$500,000.

The financial eligibility limit under the SLAS will be increased from \$488,400 to \$1 million. As the increase is rather significant, I believe that we should accept the proposal in the first stage. Nevertheless, the limit under the SLAS should be further increased to more than \$1 million as the amount of compensation will be apportioned in the future. I propose \$3 million for the Government's consideration. If the limit is set at \$3 million, people who have carefully considered whether they should apply for legal aid and who are now excluded for the SLAS will then be included. The battle concerning legal aid has been fought in this Council for so many years and finally, we have a breakthrough this year. This is a piece of good news for Honourable colleagues and members of the public who are concerned about this issue.

Nonetheless, I still wish to make one point: Hong Kong people are often extremely helpless when they have encountered serious legal problems on the Mainland. To enable the Government to reach a consensus quickly and implement breakthrough measures, I have not continuously urged the Government to consider this point.

Yet, this is essential in the long run. Many Hong Kong people have encountered problems of financial disputes on the Mainland, and they do not know that these disputes actually involve criminal offences according to the laws on the Mainland. There are quite a large number of such cases. I think that we can actually avoid some I think what concerns us most is whether these cases would be related to political issues under "one country, two systems".

However, I would like to point out, as the current legal aid schemes in Hong Kong have a specified scope, can we first specify that certain areas such as a criminal offence arising from financial disputes would be covered? Some ordinary citizens certainly need assistance in these areas. Can we take the initiative to specify certain areas so that members of the public will know in which direction can they seek help?

I think there are urgent needs in this respect, especially when many families have members travel frequently between Hong Kong and the Mainland, and live in these two places. It cannot be predicted when they will encounter legal problems or when they will even be arrested on the Mainland. Since these people living on the Mainland are also Hong Kong people, I hope that we can go one step further in considering the scope and direction of relaxing the eligibility criteria for legal aid. We should bear in mind that these Hong Kong permanent residents on the Mainland really need help in this area. Thank you, President.

MR TAM YIU-CHUNG (in Cantonese): President, we welcome and support the Secretary's proposed increase in the financial eligibility limits for legal aid applicants. The Secretary will later propose an amendment to the Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation. Concerning an elderly legal aid applicant who has reached the age of 60, regardless of his employment status, when computing the amount of his disposable capital, the Government can deduct from his savings an amount equivalent to the financial eligibility limit under the Ordinary Legal Aid Scheme (OLAS). We also welcome this proposal and I have also suggested this arrangement at a meeting.

However, though we agree to and welcome these amendments, I would like to take this opportunity to express my views on the Government's failure to lower the contribution amount under the OLAS and the Supplementary Legal Aid

Scheme (SLAS). According to some cases that I have handled and the complaints received, although the present threshold allows the public to file applications, the excessively high contribution amount may affect people who need legal aid services. Therefore, we frequently see people defending themselves in court and they are certainly less lucky. So, as a next step, I hope that the Government would reconsider the contribution amount.

At present, the highest legal aid contribution rate is 25% of an applicant's financial resources. Calculating on the basis of the new financial eligibility limit under the OLAS, the highest legal aid contribution rate is \$65,000. An applicant under the SLAS and the extended SLAS in future needs to pay an interim contribution of at least \$65,000. He also needs to pay a final contribution. To a certain extent, the sandwich class will be subject to certain restrictions and has difficulties in applying for legal aid under the SLAS, not to mention the lower class.

The Government has emphasized that the SLAS is a self-financing scheme. To maintain the sound financial foundation of the SLAS, there cannot be a lower contribution amount under the SLAS. Nevertheless, I would like to point out that all expenses of the OLAS are borne by the Government but the Government has similarly not reduced the contribution amount under the OLAS.

Furthermore, the authorities concerned have stressed that the additional scope of coverage under the extended legal aid scheme has far higher risks than personal injury and employee compensation cases. Currently, besides increasing the application fees and contribution amounts for the additional scope of coverage under the SLAS, the Government has also increased the application fees and contribution amounts for medical and legal professional negligence cases with higher risks under the original SLAS. While the Government has increased the application fees and contribution amounts for scopes with higher risks under the SLAS, it has not abolished or reduced the application fees, interim contributions or final contributions for employee compensation and personal injury cases with lower risks under the original SLAS, which is disappointing.

Lastly, I hope the Government would consider again reducing the contribution amounts under the OLAS and the SLAS in future, so that more needy people of the sandwich class and lower class can also be benefited.

MR LEUNG YIU-CHUNG (in Cantonese): President, a few Honourable colleagues have just said that they welcome and are very pleased with the Secretary's proposal on increasing the financial eligibility limit under the Ordinary Legal Aid Scheme (OLAS) from \$175,800 to \$260,000, and the financial eligibility limit under the Supplementary Legal Aid Scheme (SLAS) from \$488,400 to \$1.3 million.

Actually, we all know that Dr Margaret NG has just mentioned that, according to past history, the Government conducts an annual review, a biennial review and a five-yearly review in this connection. However, a five-yearly review may not result in a substantial increase in the financial eligibility limits. As we have noticed, the past review seeking a substantial increase only bears fruit today after a lapse of many years. Since we have longed for an increase for many years, we certainly welcome and are very pleased with the more substantial rate of increase this year.

Nevertheless, are the substantial amounts satisfactory? President, I can say that they are not very satisfactory. Why? Under the OLAS, although it is now proposed that the financial eligibility limit should be increased from \$175,800 to \$260,000, the amount is based upon annual income. Moreover, the amount is calculated on the basis of the income of the core members of the household; if we divide the amount up, the monthly income can only be \$20,000 or so. If both the husband and wife in a family have a job, the limit will be exceeded if each of them has a monthly salary of more than \$10,000. Therefore, there is not much chance that an ordinary household can benefit under the OLAS.

As we all know, legal aid is actually very important in determining whether the rule of law would be upheld in the community, and whether the spirit of the rule of law would be taken seriously. It is really unsatisfactory for the asset ceiling under the OLAS to be set at such a low level. This is unfair. What are the reasons? The financial eligibility limit under the SLAS will now be increased from \$488,400 to \$1.3 million, that is, the amount will be more than double; however, the financial eligibility limit under the OLAS will only increase by a half of the current amount. Thus, the rate of adjustment is still very low. In my opinion, this really fails to understand the grassroots' hope of upholding the spirit of the rule of law, and there is still quite a distance between the reality and people's expectation.

After this adjustment, I do not know how many years we have to wait before another adjustment will be made. According to Dr Margaret NG, an annual adjustment can be made in light of inflation and there will be a biennial review; yet we are not sure about the criteria of the review. Moreover, we do not know whether a substantial adjustment will be made in a five-yearly review. How many years do we have to wait before another adjustment will be made? The grassroots wish that the spirit of the rule of law can be upheld but I think that there is still a long way to go.

Furthermore, Mr TAM Yiu-chung has just said that the contribution amount is a key issue; the current contribution amounts payable range from \$1,000 to \$65,000. For an ordinary grass-roots worker, this can be described as "suffering a loss before the gain" since he must pay the contribution amount first. Even if his application is approved by the Legal Aid Department and the case has a high success rate, as we all know, it is not at all easy for him to raise money for paying the contribution amount. For an ordinary family, it is not easy to pay the contribution amount though it merely involves a few thousand dollars or tens of thousands of dollars. As a result, some families or common folk may "retreat" and cases that should be decided in court cannot be handled by the court. I am very sorry about that.

There is also another point that I feel regretful, it is related to my personal experience. We all know that a legal aid applicant needs to cross two barriers. The first barrier is the aforesaid asset ceiling because it is necessary to assess if the assets of core family members have exceeded the limit. The second barrier is the success rate of the case. However, as far as I know, there is another point even though it has not been written down, but it is a real fact. There are many cases involving workers such as workers fighting for their welfare. The amounts involved are not considerable, say \$20,000 to \$30,000. Workers will certainly cross the barrier as they will not exceed the asset limit; however, their applications for legal aid are very often rejected. Why? It is because the amount claimed is too low, which is very often not enough to cover the litigation cost, hence the applications will not be approved. Nonetheless, President, if a wage earner really wants to claim \$20,000 to \$30,000, the sum is a considerable amount for his family. The amounts of \$20,000 to \$30,000 or \$10,000 to \$20,000 are substantial for workers. He can do nothing when his application is not approved because the amount of his claim is too small. He is entitled to get that amount of money, but he cannot get it. Furthermore, he has to face the

stress of life. The amount may be used to meet his living expenses and the expenses of his whole family, but he cannot get it. I believe that this situation should be noted.

An Honourable colleague has just mentioned that the scope of the legal aid schemes has gradually been extended. We certainly agree that the scope should be as broad as possible so that we will have more opportunities to uphold justice under the law. Yet, we cannot ignore certain issues. For instance, as I have just said, though the amounts claimed by some ordinary people are not considerable, they deserve to have the money but they cannot claim the amounts through the court. I think that it is unfair to them.

Anyway, the Government should make the relevant amendments as quickly as possible, and perfect the legal aid schemes so that more people can receive fair and reasonable treatment, and justice under the law can really be upheld.

President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): President, concerning the five-yearly review mentioned just now, we have actually raised this proposal to the Government five years ago, but the 50% line is only drawn today after a lapse of five years. An increase from \$260,000 to over \$400,000 represents an increase of nearly \$500,000 sorry, it should be an increase from \$170,000 to \$260,000 and also an increase from over \$400,000 to \$1.3 million. An increase from \$170,000 to \$260,000 is an improvement but the rate of increase is limited.

For people who need to engage in legal proceedings, it is still very difficult for them to get legal aid. We frequently handle several types of cases about labour issues. The first type of cases involves outstanding wages. The workers must first apply for legal aid in order to receive *ex gratia* payment under the Protection of Wages on Insolvency Fund (PWIF). For example, in a case involving non-payment of wages to five employees, all of the employees were not granted legal aid. Thus, the case was in a stalemate. As employees were not granted legal aid, they could not receive *ex gratia* payment under the PWIF. If they wanted to initiate legal proceedings to solve the problem, they had to pay the bankruptcy fees in advance. Hence, apart from the defaulted wages, they have to bear an extra cost of paying the bankruptcy fees. For example, if the defaulted wages is \$10,000 per person, they have to pay \$50,000 bankruptcy fees

in advance, and the ultimate amount received may only be \$50,000. Hence, the whole situation is very ridiculous indeed. Regarding this type of cases, we always consider it unnecessary to conduct asset tests on legal aid applicants; so long as the applicants need legal aid, we should directly offer them assistance without any asset tests.

The second type of cases involves the appeal cases against the decisions of the Labour Tribunal. The appeal cases against the decisions of the Labour Tribunal often involve employers filing appeals to the High Court after the Labour Tribunal has given rulings. As we all understand, the Labour Tribunal does not allow representation by lawyers, so employees can handle cases at the Labour Tribunal level with assistance from trade unions. But once appeals have been filed to the High Court, representation by lawyers is a must; otherwise employees will be in an unfavourable position. Therefore, legal aid should also be granted for such cases. For instance, employees won the case as ruled by the Labour Tribunal but employers filed an appeal with the High Court, if employees cannot get legal aid, the situation will be just like the struggle between David and the giant Goliath; yet David may not win over Goliath every time. Goliath may win over David in reality, and employees will suffer losses in the end. The appeal cases filed after ruling given by the Labour Tribunal frequently fail to pass the barrier of the Legal Aid Department.

The third type of cases that may also fail to pass the barrier of the Legal Aid Department is work injury cases. The nature of work injury cases should be simple and compensations should be given in such cases. Nonetheless, employers sometimes refuse to admit that employees are injured at work, or an employer who is well aware that the employee is injured at work but he still refuse to pay the employee a sum equivalent to four fifths of the wages earned by the employee during the specified period, and insists on bringing the case to court and delay the payment. If the employee cannot get legal aid, he will find himself in a difficult situation. While he cannot receive legal aid, he will not have any income after he has been injured. However, he may have some assets. Should he spend his assets on the legal proceedings though he is not absolutely sure that he can get the amounts that he is entitled to? Even though we or his legal representative may comfort him by telling him that the case has a high success rate, he would still be afraid throughout the legal proceedings, and he would at least be tormented for half a year and even a year. Why should he suffer?

For this reason, we really hope that the Secretary will not just consider increasing the limit from \$170,000 to \$260,000 because many people fall outside the scope of protection of the legal aid schemes. On the one hand, we ask the Government to further relax the asset ceiling for legal aid applications; on the other hand, we hope that the three types of cases that I have just mentioned can be granted legal aid without any asset tests. The first type of cases includes bankruptcy cases, in particular cases where employees need to receive *ex gratia* payment under the PWIF, and assistance should be provided to help employees get back their outstanding wages. The second type of cases involves appeal cases filed after the ruling given by the Labour Tribunal; since the Labour Tribunal adheres to the principle of not allowing representation by lawyers, if a party continues to file an appeal, he should be granted legal aid without having to undergo any asset tests. This approach has simply extended the Labour Tribunal's spirit of not allowing representation by lawyers so that employees need not waste money on lawyers' services. Hence, asset tests should be waived. The third type of cases includes work injury cases; as the employees concerned have already been injured at work, they should be exempted from means tests.

I think that the Government should specifically handle these types of labour cases because employees are definitely at a disadvantaged position during legal proceedings. Of course, we hope that the relaxation of the legal provisions today can help more people but the number of people who would receive help is after all limited. Hence, we hope that we can go on fighting for a review to broaden the scope of assistance. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Home Affairs to reply.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I would like to thank Members for their views and I will make a simple response.

First of all, I have to thank the Legal Aid Services Council (LASC) for its valuable views on the Government's five-yearly review. The Government has considered the views expressed by the LASC and other stakeholders, and briefed the Legislative Council Panel on Administration of Justice and Legal Services (the Panel) on the Government's proposals. I am also thankful to the Panel for expressing its views on various aspects of our legal aid scheme on various occasions. I agree that our legal aid schemes should keep pace with the times, and they should be continuously improved and perfected in the course of an orderly and gradual process.

The motion today is focused on the rate of increase in the financial eligibility limits, and I have consulted the LASC and various parties concerned on this proposal. As Members have said, we originally proposed that the financial eligibility limit under the Supplementary Legal Aid Scheme (SLAS) should be set at \$1 million. However, the LASC has proposed that the financial eligibility limit under the SLAS should be set at \$1.3 million. Although the Bar Association of Hong Kong has proposed that \$3 million is a more appropriate level, we still support the LASC's view after balancing the views of all sides; hence, we have proposed that the financial eligibility limit under the SLAS should be adjusted to \$1.3 million.

I implore Members to support the motion so that various improvement measures in the five-yearly review can be implemented as soon as possible. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Home Affairs 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Two proposed resolutions under the Interpretation and General Clauses Ordinance.

First motion: Amending the Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2011.

I now call upon the Secretary for Home Affairs to speak and move the motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I move the resolution standing in my name on the Agenda.

We have completed the five-yearly review of the criteria for assessing the financial eligibility of legal aid applicants, and laid the Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2011 (the Amendment Regulation) on the table of the Legislative Council on 2 March 2011. The Amendment Regulation will implement the following improvement measures:

- (a) the median monthly household expenditure be used to replace the 35-percentile household expenditure as a deductible component in calculating disposable income of legal aid applicants; and
- (b) an amount equivalent to the financial eligibility limit of the Ordinary Legal Aid Scheme be disregarded from the savings of the elderly legal aid applicants who have reached the age of 60, irrespective of their employment status, when calculating their disposable capital.

We agree with the advice of the Legal Adviser of the Legislative Council Secretariat that the term "住戶開支第50個百分值" is better phrased and therefore should replace "第50個百分值住戶開支" in the Chinese text of the

Amendment Regulation. Details of the amendment have been reflected in the paper circulated to Members.

I invite Members to support the motion.

The Secretary for Home Affairs moved the following motion:

"RESOLVED that the Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2011, published in the Gazette as Legal Notice No. 35 of 2011 and laid on the table of the Legislative Council on 2 March 2011, be amended as set out in the Schedule.

Schedule

Amendment to Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2011

1. Section 3 amended
Section 3(2), Chinese text, new rule 8(2)(a) —
Repeal
"第50個百分值住戶開支"
Substitute
"住戶開支第50個百分值".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Home Affairs be passed.

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

DR MARGARET NG (in Cantonese): President, we support the amendment. However, I would like to take this opportunity to request the Secretary to consider if the amount of contribution is too high, and whether certain discretions or waivers should be allowed.

What is a contribution? It aims to cover some costs on the basis of the financial capacity of legal aid applicants. How do we calculate the amount of contribution? For ordinary legal aid, applicants with financial resources less than \$20,000 are not required to pay any contribution, whereas applicants with financial resources ranging from \$20,000 to the upper limit should, at least, pay a contribution of \$1,000. Before the passage of the Amendment Regulation, the upper limit of financial resources is \$43,950, which is 25% of an applicant's financial resources. After the passage of the Amendment Regulation, the amount will be revised to \$260,000 and the upper limit will become \$650,000.

President, we are now talking about grass-roots families, which are pretty poor with only \$60,000 disposable saving. If they are asked to spend \$65,000 for taking legal action, but this sum of money is nonetheless not their final contribution, then once the legal action sorry, the calculation method for supplementary legal aid is different. If they are asked to spend \$65,000 for taking legal action, this is indeed a large sum of money. For supplementary legal aid, after the passage of the Amendment Regulation, applicants are required to pay at least \$65,000 as interim contribution. This sum of money is payable by them. They may recover some costs if the proceedings are successful, otherwise they will be liable to the payment of certain basic legal costs. Therefore, President, the point to be considered is, in the case of Hong Kong, should a family be asked to use 25% of its \$260,000 savings for taking legal action? We are talking about their basic rights to seek redress. Will a family having a total savings of \$1.3 million be asked to pay an interim contribution of \$130,000 as a deposit? The Secretary should consider if this requirement is too harsh.

President, we request the Director of Legal Aid (the Director) to give us some examples to illustrate the calculation of contribution, and how it affects the legal aid recipients. President, in the past, we had asked if there were cases where people withdrew their applications for legal aid after learning about the contribution payment. There are such cases. This gives people an impression that if the eligibility criteria for legal aid are too stringent, it is still possible that eligible applicants get nothing in the end.

President, the authorities have given us five examples for reference. While some are old cases, some are new cases recorded after an expansion of the

scope of supplementary legal aid. I have selected three of them to share with Members.

The first example that I am going to cite is actually the second example given by the authorities, which is a case of ordinary legal aid. In this example, assuming that the aided person has to pay a contribution of \$8,000, so if the Court ruled that the compensation awarded is \$200,000 and the payable brief fee is \$15,000 What is brief fee? It means that the Court ruled that the court costs should not be paid by the opposite party, but by the aided person himself. In this example, the aided person had paid a total of \$8,000 but received \$185,000. This is a non-labour case.

For a case relating to the Labour Tribunal, what will happen if the applicant's financial resources have just exceeded the upper limit? The authorities advise that after the expansion, applicants can now apply for supplementary legal aid. Even if his financial resources have exceeded \$260,000, he can still receive legal aid. However, as evident in this case, applicants should think carefully if they should receive legal aid.

According to the case provided by the Director, applicants should first pay an application fee of \$1,000. Assuming that the interim contribution is \$65,000 and the claimed compensation is \$40,000, the default payment of the employer, thus even if the proceeding is successful and the Court ordered that the employer should pay a compensation of \$40,000, he is still required to pay \$4,000 as 10% is deductible as final contribution. Assuming that the brief fee how should we calculate as the applicant has to pay an attorney's fee of \$5,000 by himself? First of all, he has to pay \$75,000 to the Director as deposit. After the case is concluded, the Director will refund to him some previous payments and the compensation as determined by the Court. He would therefore receive \$88,000. However, after deducting the previous payment, he actually received \$13,000. President, the default payment of his employer is \$40,000 and the Labour Tribunal has ruled that this is the amount of compensation he could receive. The employer later lodged an appeal, but it was dismissed and the employee concerned should actually receive \$40,000 compensation from his employer. However, in practice, he only received \$13,000.

President, this is pretty discouraging. Some friends from the labour sector told me that not much would be received in the end as applicants are required to

pay \$65,000 and an application fee of \$1,000 right at the beginning. This has deterred many people from taking legal action. If the defaulted salary to be claimed is \$40,000, but an initial payment of \$75,000 has to be paid before taking any legal action, this is tantamount to asking them not to do anything.

President, we have discussed these issues time and again in the Panel on Administration of Justice and Legal Services. I wish to take this opportunity to remind the Secretary and hope that the authorities will understand, while it appears that the legal aid is provided to help members of the public, it is actually too expensive for them. Therefore, President, it still has plenty of room for improvement. I hope that continuous improvements will be considered. Thank you, President.

MR PAUL CHAN (in Cantonese): President, first of all, I have to declare that I am the Chairman of the Legal Aid Services Council (LASC). The LASC is a statutory advisory body responsible for overseeing the administration of legal aid services. Therefore, the authorities have consulted the LASC on today's amendment, and the LASC has discussed the issue and provided a lot of input. Our proposals include increasing the financial eligibility limit, expanding the various aspects of the Supplementary Legal Aid Scheme (SLAS), as well as exempting part of the capital of elderly people from the calculation of the financial eligibility limit. I am not going to repeat the details here.

President, I will now speak in my personal capacity. Legal aid service is very important in Hong Kong society as our success is attributable to the separation of powers, in which judicial independence is an important element. We are all equal before the law, thus no one should be deprived of an access to justice due to lack of means. This is the general principle which I have borne in mind since I took over the LASC.

Whenever we have to choose among different proposals or whenever a problem arises, an objective limitation always emerges, that is, resource constraint. I believe this is the problem encountered by all societies. How can we properly deploy our limited resources? How should we prioritize our tasks? How much should we do? Which task should be given up?

I have listened very attentively when Members talked about contributions earlier. There are two kinds of contributions: one for the basic legal aid, and the other for supplementary legal aid. I think that there are some issues that we should further consider and review. Regarding the SLAS, the LASC has actually proposed to divide it into Part I and Part II, where Part I mainly covers claims for personal injuries or death and employee-related matters.

I have recently exchanged views with friends from the labour sector on a number of occasions, and we are well aware of the issues just raised by Dr Margaret NG. In fact, I think that they do worth our thorough consideration because not only the grassroots, but also their hard-earned money is involved. For SLAS Part II, the consideration for contribution might be different. SLAS Part II mainly covers claims for professional negligence, claims against developers in the misleading sale of properties, and so on. However, an application may not be approved even if the applicant meets the financial eligibility of legal aid, because the LASC only grants approval to cases having a success rate of over 50%.

However, looking at the relevant statistics, apart from cases involving work-related injuries or personal injuries or death of workers, cases considered by the LASC to have a high probability of success only have an average success rate ranging from 60% to 70%. Given that the SLAS is designed to be self-financing, we must take into consideration the consequence of an unsuccessful case. Under the existing legal system, the losing party usually has to bear the attorney's fee of the winning party. There was once an unsuccessful case of supplementary legal aid, in which more than \$10 million have been spent.

In order to enable the SLAS to be self-financing, the authorities should not only carefully consider an expansion of scope, the associated contributions and administrative fee should also be considered. This ensures that the relevant fees collected are sufficient to cover the costs of processing the applications and sustaining the viability of the entire scheme.

President, what I have just said only highlights one point, and that is, our resources are relatively limited. Regarding the question of how much resource should be deployed, discussions must be conducted within the community and the Legislative Council, with a view to forging a consensus. And yet, in order to

fully satisfy the principle of self-financing, careful consideration should be made to contribution under the SLAS before amending the Regulation.

President, the last point that I wish to make is, under the LASC, there are many groups discussing and reviewing, for instance, the scope or quality of legal aid service. I very much welcome Members of this Council, their assistants or think-tanks who are interested in this area to join us, hoping that our joint efforts can make Hong Kong's legal aid service better. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Home Affairs to reply.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, thanks to Members for their views. In calculating the disposable income of legal aid applicants for assessing their eligibility for legal aid, a personal allowance is deducted to recognize that applicants should be allowed to keep an amount required for other expenses of households of a particular size.

The Legal Aid Services Council (LASC) recommended that the median monthly household expenditure should be used as a deductible component in calculating disposable income. We agree with the recommendation of the LASC and thus propose this resolution to bring it into effect.

We will continue to listen to the views expressed by the Panel on Administration of Justice and Legal Services and Members. We are nonetheless worried that if further waiver or reduction of contribution has to be made, the self-financing principle of the Supplementary Legal Aid Scheme (SLAS) will be prejudiced, thereby seriously undermining the principle of processing various claims under the SLAS.

In fact, the financial resources of applicants receiving legal aid under the revised SLAS should be more abundant. We are of the view that the risk arising from legal action should be shared between the Government and the applicants. It does not seem reasonable if a person holding any asset can take legal action without paying a single cent but depending solely upon the subsidies of taxpayers. The payment of contribution is intended to bring, by all means, the aided persons on a par with people taking legal action by using their own resources. I implore Members to support today's Amendment Regulation. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Home Affairs 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Second motion: Amending the Protection of Endangered Species of Animals and Plants Ordinance (Amendment of Schedules 1 and 3) Order 2011.

I now call upon the Secretary for the Environment to speak and move the motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I move to amend the Protection of Endangered Species of Animals and Plants Ordinance (Amendment of Schedules 1 and 3) Order 2011 (the Amendment Order), which was tabled in the Legislative Council on 2 March 2011.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has been implemented in Hong Kong since 1976. The CITES is an international agreement among governments of different states, which seeks to ensure that the survival of wild animals and plants will not be threatened because of international trade. The Government is committed to protecting endangered species. We implement the Protection of Endangered Species of Animals and Plants Ordinance (the Ordinance) to regulate the trade of species listed in the Appendices of CITES in accordance with CITES requirements. CITES Parties meet about every two to three years in the Conference of the Parties and, among other things, review and amend the species listed in Appendices of CITES. Parties would also amend or adopt Resolutions in relation to CITES implementation.

At the 15th meeting of the Conference of the Parties (CoP15) to CITES held in March 2010 in Qatar, CITES Parties agreed to amend the Appendices to CITES, as well as relevant resolutions. The Amendment Order aims to give effect to the changes made at that Conference, so that they could be implemented in Hong Kong.

Section 4(11) of the Amendment Order is to amend Schedule 3 of the Ordinance, in order to reflect the revised Resolution Conf. 9.5 as passed at CoP15, which concerns trade with States not party to CITES. With regard to this Resolution, the wording passed at the CoP15 is (I quote): "Parties accept documentation from States not party to the Convention only if the details of the competent authorities and scientific institutions of such States that are included in the online CITES Directory were communicated less than two years previously, unless the Secretariat confirms that it has no more recent information." (End of quote) In other words, when a Party trades regulated endangered species with a non-Party, the Party needs to review the details of the competent authorities and

scientific institutions that are included in the online CITES Directory. If such information is communicated within two years, then in principle the Party may accept the documentation from the non-Party. However, the Party may consult the Secretariat whether there is no more recent information in each case. We have therefore adopted the version of the Resolution passed at the CoP15 to prepare the Amendment Order, and submitted to the Legislative Council.

Subsequently, we were aware that the relevant part of the Amendment Order submitted to the Legislative Council was different from that of the Conf. 9.5 uploaded to the Internet by the CITES Secretariat. We have sought confirmation and understand that the CITES Secretariat made revisions without making it known to Parties. At present, the revised version of the Resolution reads, "unless the Secretariat confirms that it has more recent information". In other words, after the change, if the information was communicated within two years, Parties can accept the documentation from the non-Party in principle. However the Party may consult the Secretariat whether it has more recent information in each case.

In practice, in either version, the Agriculture, Fisheries and Conservation Department will consult the CITES Secretariat before accepting relevant documentation.

Having regard to the above, we are of the view that we should make reference to the version of the Resolution last revised by the CITES Secretariat, and amend the Amendment Order, in order to rectify the inconsistency, so that the Amendment Order would adhere to the revised version of the Resolution.

President, I move that the motion be passed. Thank you.

The Secretary for the Environment moved the following motion:

"RESOLVED that the Protection of Endangered Species of Animals and Plants Ordinance (Amendment of Schedules 1 and 3) Order 2011, published in the Gazette as Legal Notice No. 36 of 2011 and laid on the table of the Legislative Council on 2 March 2011, be amended as set out in the Schedule.

Schedule

Amendment to Protection of Endangered Species of Animals and
Plants Ordinance (Amendment of Schedules 1 and 3) Order 2011

1. Section 4 amended (Schedule 3 amended (Convention instruments))
Section 4(11) —
Repeal
"no more"
Substitute
"more"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment 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 the Secretary for the Environment 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 of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Proposed resolution under the Road Traffic Ordinance.

I now call upon the Secretary for Transport and Housing to speak and move the motion.

PROPOSED RESOLUTION UNDER THE ROAD TRAFFIC ORDINANCE

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

Since 1976, the total number of vehicles which may be registered as public light buses (PLBs) has been limited to 4 350. The limitation was promulgated by the Executive Council through the Public Light Buses (Limitation on Number) Notice (the Notice). The effective period of the Notice has been extended from time to time through resolutions passed by the Legislative Council, and was last extended in May 2006 for five years up to 20 June 2011.

In view of the limited road space and community concerns about the environmental impact created by road-based vehicles, the Administration accords priority to develop mass carriers, that is, railways and franchised buses, with other transport modes performing a supplementary role. Under the public transport system, the function of PLBs is to support mass carriers, mainly by providing feeder services to and from railway stations and public transport interchanges, as well as serving areas where it is not operationally feasible or financially viable for the mass carriers to provide service.

Since 2006, the daily patronage of PLB services has remained at around 1.8 million passenger trips, representing about 16% of the total public transport market, consistent with their supplementary role. With the commissioning of new railways in the coming decade, it is expected that the carrying capacity of the overall public transport system will increase significantly. As it is rather unlikely that the total patronage would increase substantially, any change in the number of PLBs at this stage will upset the balance of the role played by other transport modes causing redistribution of the market share. It will likely result in potential conflicts and unhealthy competition among different public transport modes.

In January 2011, the Transport Department consulted the PLB trade on whether the current fleet size of PLBs should be maintained. Among the 88 written submissions received by the Transport Department, almost all (that is, about 97%) of them indicated support for maintaining the current fleet size of PLBs at 4 350. Besides, operators of other public transport modes (including franchised buses, non-franchised buses and taxis) expect the Government to maintain the current limitation on the number of PLBs.

We submitted a paper on this subject to the Legislative Council Panel on Transport in February 2011. At the meeting of the Panel held on 25 February 2011, Members did not object to the proposed extension of the effective period of the current limitation on the size of PLB fleet for five years.

In the light of the above considerations, we consider it appropriate to extend the existing limitation on the total number of PLBs at 4 350 for a period of five years up to 20 June 2016. This will also provide certainty for the PLB trade to continue playing its role in the public transport market effectively.

President, I beg to move the motion to extend the effective period of the limitation on the size of PLB fleet for five years until 20 June 2016. Thank you, President.

The Secretary for Transport and Housing moved the following motion:

"RESOLVED that the period for which there remains in force the limit on the number of vehicles which may be registered as public light buses specified in the Public Light Buses (Limitation on Number) Notice (Cap. 374 sub. leg. K) and extended to 20 June 2011 by Legal Notice No. 124 of 2006, be further extended to 20 June 2016."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Transport and Housing be passed.

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

MS MIRIAM LAU (in Cantonese): President, the resolution proposed by the Secretary for Transport and Housing today intends to maintain the current fleet size of public light buses (PLBs) at 4 350 until 20 June 2016. The relevant policy has been extended 11 times previously, all without much contention. Likewise, there will be not much or even no contention today. While I also support this resolution today, I hope to take this opportunity to express my views on the policy on PLBs.

President, I recognize that each transport mode has its own position and functions. Given that Hong Kong is a small place with a large population, and in view of the limited road space, it is the Government's policy to encourage the use of mass carriers so as to reduce traffic congestion. Railways and franchised buses are identified as mass carriers while the function of PLBs is to support the mass carriers of railways and franchised buses by providing short-haul feeder services with railway stations and public transport interchanges. PLB is also an important mode of transport for residents living in areas outside the railway network or without adequate franchised bus services.

However, with the rapid expansion of the railway system, many railway lines will be commissioned in the coming decade including the West Island Line, the South Island Line (East), the Kwun Tong Line Extension and the Shatin to Central Link. By that time, the patronage of PLBs will be further reduced and this could impact heavily on the living space of the PLB trade as well as the livelihood of the drivers. Therefore, I hope the authorities can make early planning and conduct a comprehensive review on the role and functions of PLBs as soon as possible.

It is the Government's established policy on PLBs to actively encourage the conversion of red minibuses (RMBs) to green minibus (GMB) operation to ensure service quality and contain the fleet size of PLBs in order to reduce the burden on road space. However, the authorities do not have any long-term planning on how to maximize the supplementary role and functions of PLBs against the expanding railway network.

Both the reviews conducted by the authorities on the operation of PLBs in 2002 and 2006 have only confirmed the major function of PLBs as supplementing the mass carriers. However, the Government is silent on their long-term development. With the development of new railways and new towns, is it

necessary to adjust the role and functions of PLBs in the public transport system? What can be done to allow PLBs maintain their supplementary role in the public transport system while opening up more living space for the trade? I very much hope that the authorities can initiate a review on this matter.

Recently, some PLB associations have proposed to increase the passenger seating capacity of PLBs or GMBs in order to mitigate the impact of increasing operating costs. Regardless of the Government's stance on the proposal, this request from the PLB trade has brought out a clear message that the operation of the PLB trade has indeed become extremely difficult.

The Transport Department has assessed the financial performance of GMB operators for the year 2009-2010 through an analysis of their annual financial returns. The results show that about half of the GMB operators suffer from operating losses. As a result of keen competition from other public transport modes, there has been no significant increase in the patronage of PLBs. (In 2006, the market share of PLBs was 15.8% of the total public transport market. After about four to five years, the market share of PLBs in 2009 was 16.3%, representing only 0.5% increase.) Moreover, the increasing costs of insurance coverage, maintenance, petrol and fuel have all contributed to the operating losses. Of all these, the increase in insurance premium is the greatest. In the past, insurance coverage for a PLB only cost about \$10,000 to \$20,000. At present, third party insurance premium costs as much as \$50,000 while comprehensive insurance premium is \$60,000. The rate of increase is remarkable.

In order to meet the increasing operating costs, the PLB trade can only resort to fare increase and transfer the increasing operating costs onto the passengers. As the fare of RMBs is not subject to any control, their operators can determine the fare themselves. For GMBs, they are subject to the monitoring by the Transport Department and any service adjustments (including fare adjustments) must be made through applications to the Transport Department. As far as I know, the Transport Department is still processing more than 100 applications for fare increase of GMB routes. It is clear that the operators are facing a very tough operating environment and hence, fare increase applications are inevitable. As the Transport Department has to spend a long time on vetting these fare increase applications, the PLB trade is in fact suffering intensely.

I would like to point out that without any relief measures, that is, if the authorities do not provide any assistance, it will ultimately create a vicious cycle which will increasingly impact on the people's burden of transport costs. In the end, it might even affect the quality of the vehicles and services. I think the authorities should deal with the relevant problems squarely, study carefully why more than half of the PLB operators suffer from operating losses, review the current operation of the PLB trade and formulate a long-term plan to promote the healthy development of the PLB trade.

Since 1976, the Government has limited the number of PLBs at 4 350 in order to control the operation of PLBs and reduce the burden of an increasing number of PLBs on road space. This is understandable. However, with the increasing development of new towns, many local residents have complained to me about long waiting time at certain boarding locations during peak hours. The residents cannot board GMBs at enroute locations because they would be full already. Moreover, there may even be cases where the GMB service schedule cannot match the last railway train. Hence, if PLBs are intended to provide feeder service to railways, they cannot really do so because when passengers of the last railway train arrive at the GMB station, they may find that the GMB route has already stopped service. Therefore, while the authorities have limited the total number of PLBs, they must also keep these problems in view and allow flexible deployment of GMBs to meet the need of the residents.

Lastly, I would like to reiterate that each mode of public transport has its own functions. Although PLBs is not the mainstay of the Government's current transportation development strategy, PLBs can fill the service gap of existing public transport services and provide an additional choice for the people. Their functions should not be neglected or overlooked. With the development of railways and the society, the authorities must conduct another comprehensive review on the functions of PLBs and formulate a long-term strategy so that PLBs can perform their functions more effectively bringing improvements to our transportation system.

President, I so submit.

MR WONG SING-CHI (in Cantonese): President, the last time the Government limited the total number of vehicles which might be registered as public light

buses (PLBs) at the level of 4 350 was in May 2006. Such a limit was extended for a period of five years until June this year. Currently, the total number of PLBs is 4 350. Today, the Government proposes to further extend the current limitation on the total number of PLBs at 4 350 for a period of five years until June 2016. Since 2006, the patronage of PLBs has been maintained at 1.8 million per day and PLBs make up 16% of the overall public transport market. As at December 2010, there were 3 019 green minibuses operating on 353 main routes and 1 331 red minibuses.

The limitation on the total number of PLBs at 4 350 might be insufficient in terms of service provision in some districts or during certain periods, particularly for some busy routes, late night or long-haul services. I had been to Mong Kok to observe the operation of an overnight PLB route plying Mong Kok and Sheung Shui. I noticed that PLBs were arriving at the terminus successively. But there were almost 200 passengers waiting at the queue during peak hours. Even though PLBs kept coming all the time, the waiting time was 15 minutes at the minimum and almost half an hour at the maximum. Therefore, many residents would query whether the situation could be improved by increasing the number of PLBs.

In fact, during our observation, we noticed that even if the number of PLBs had increased, it might not help much because PLBs were already arriving at the terminus very frequently. Moreover, each PLB was fully-loaded when leaving the terminus and the situation where a PLB waiting for passengers or *vice versa* did not occur. Hence, many people consider whether it is necessary to discuss the option of increasing the passenger seating capacity of PLBs plying certain routes from the existing 16 seats to 20 seats. In that case, the waiting time can be shortened by 25%. This might be a better arrangement for some districts. Apart from maintaining the total number of PLBs at 4 350, the issue of increasing the passenger seating capacity of PLBs is also something that we must deal with and discuss. While we will not discuss this issue today, I think it is the same as limiting the total number of PLBs and it is something that we must discuss eventually.

As illustrated in the example I have just mentioned, it might not help even if the total number of PLBs has been increased because PLBs are already coming one after another and they cannot drive away. Sometimes when passengers are boarding a PLB, two or three PLBs are waiting for their turn. Even if two PLBs

are added to service the route, they must also wait because it takes time for the passengers to board the PLB waiting in the front. If the passenger seating capacity of PLBs is increased, the total number of PLBs need not be increased because the additional passenger capacity can provide relief in terms of waiting time. I hope the Government, the Council and the community can hold more in-depth discussion to consider how the issue of increasing passenger seating capacity of PLBs can be dealt with.

On this account, I hope that in addition to the limitation on the total number of PLBs, the Government can also discuss the issue of increasing the passenger seating capacity of PLBs with the trade and other stakeholders as soon as possible. However, we are also aware that if the passenger seating capacity of all 4 000-odd PLBs is increased categorically to more than 16 seats, it might be unnecessary in some cases because for many routes, PLBs have to wait at the terminus for a long time before they are fully-loaded. If the passenger seating capacity of PLBs servicing these routes is also increased, the waiting time will become even longer. It will not be beneficial to these operators. In some places with no PLB routes plying, nobody will take PLBs even if the number of vehicles has been increased. It is also not beneficial to these operators. Moreover, an overall increase in the passenger seating capacity of PLBs will affect the ecology of the entire transportation system.

We have received many views from the taxi trade that if there is an increase in the passenger seating capacity of PLBs, the livelihood of the existing 18 138 taxis and 37 791 taxi drivers will be affected. The Democratic Party is totally concerned about and aware of this problem. Therefore, we consider that in addition to maintaining the total number of PLBs, the issue of increasing the passenger seating capacity of PLBs must also be discussed. However, the passenger seating capacity of PLBs must not be increased across the board or categorically to more than 16. We consider that in order to reduce the long waiting time for PLB service in certain districts, 20-seater PLBs can be deployed to ply the relevant routes if feasible. To a certain extent, this can help some passengers and it will not create substantial impact on the taxi trade in the long run.

President, in addition to the discussion on increasing the passenger seating capacity and total number of PLBs, we consider that it is even more necessary to hold in-depth discussion on the safety of PLBs. If we have maintained the

current fleet size of PLBs to 4 350, this arrangement can in fact provide stability to the business operation of the PLB trade. While this will create no harmful impact on the operation of the PLB trade, it can even provide certain safeguard to their current interests. Under the circumstances, should the PLB drivers, PLB associations and PLB owners give even more consideration to safety during service provision?

Regarding the installation of seat belts on PLBs, there are now only 2 382 PLBs in the territory which have been fitted with passenger seat belts, representing 55% of the PLB fleet. In other words, 45% of the PLB fleet plying on the road (that is, 1 967 PLBs) are still not fitted with passenger seat belts. We consider that the Government must deal with the relevant problems. At present, we have provided ease of mind to the PLB operators so that they need not worry about competition from more PLBs. I think the PLB associations and the trade should work harder to improve safety.

Moreover, regarding the speed of PLBs, I do not know whether it is because some drivers must hurry to do more runs of service or what, they would drive very fast, whether it is night time or during weekdays. I know that there is a maximum speed limit of 70 km/h for most of the heavy vehicles travelling on highways. But I have noted a PLB travelling at more than 100 km/h during night time. On that occasion, I was already driving at an hourly speed of 70 km, 80 km or 90 km, but the PLB just overtook me at a speed much faster than mine. Obviously, that PLB was travelling near 100 km/h. Such driving behaviour was totally unsafe. Now that we have limited the fleet size of PLBs, the PLB trade should in fact be asked to put in place additional safety measures. In this connection, the Government must also institute more prosecutions.

As a matter of fact, we can see that in each quarter, there are on average nearly 3 000 traffic offences involving PLBs. That is a very high percentage indeed. According to the records in 2009 to 2010, the relevant figures have been increasing. We hope that PLB drivers, PLB associations and the trade can really strive harder to put in place safety measures for passengers.

President, lastly, I would like to say that in addition to PLBs, there are other modes of transport in Hong Kong's public transportation system including taxis, buses, railways and various transport systems. The Democratic Party considers that all these transport modes and systems should complement and

co-ordinate with each other. We must also ensure competition in the market so as to prevent any monopoly like the MTR. When the MTR increases its fares, we are just like "meat on the chopping board" and there is nothing we can do. Therefore, in formulating the future transportation policy, we must control the fleet size of PLBs and review comprehensively the overall transport connections (such as whether the Government should buy back the franchise of the Western Harbour Crossing) so that all major trunk routes, particularly various harbour crossings, are under the control of the Government. In that case, the people will no longer have to suffer from incessant tunnel toll increases sought by the consortia for profits.

President, I hope the Government and the operators of various modes of public transport will introduce even more and better interchange concessions so that all modes of public transport can be connected seamlessly. At the same time, it can also help reduce the number of vehicles travelling on the road. As such, the Government will not have to resort to "silly" measures, such as increasing first registration tax for private cars, to reduce the number of vehicles travelling on the road. It is only by ensuring proper transport connections for various modes of public transport that traffic congestion can really be alleviated and air pollution minimized to make Hong Kong greener and more environmentally-friendly.

Thank you, President.

MR RONNY TONG (in Cantonese): President, public light buses (PLBs) have existed in Hong Kong for several decades and their operation has gradually become institutionalized. At least, the operation of green minibuses (GMBs) has become formalized in terms of route, service schedule and fare level. Therefore, we should no longer consider PLBs as merely a stop-gap or temporary mode of public transport.

President, more importantly, the SAR Government has always positioned PLBs as a supplementary mode of public transport. Its major role is to supplement railways and franchised bus services. President, I think this view clearly illustrates the will of the leaders and ignore certain practical problems. President, I have no idea whether the officials of the SAR Government are really aware that PLBs do not only perform a feeder role in the daily lives of the people.

In fact, many people of Hong Kong rely on PLBs as their major mode of transport for going to work, buying food, shopping or going to the movies. Of course, PLBs also supplement other modes of public transport. Nonetheless, their use as a major mode of public transport for the ordinary citizens should not be overlooked.

President, the second point which I must correct is that the SAR Government has always adopted a conservative attitude when handling the issue of PLBs. The Government always considers it best not to introduce any change, create any argument or upset the operators of other modes of public transport (particularly those which directly compete with PLBs, such as taxis). The Government has always considered that it had better not "upset" the taxi trade, or else there would be big trouble. Therefore, the SAR Government has adopted a dismissive attitude towards any constructive proposal that can help improve the operating environment of the PLB trade. This is absolutely unacceptable.

President, the third point and maybe the most important point is that by adopting this attitude, the SAR Government is in fact ignoring the difficulties faced by PLB operators, and most importantly, the need of the people. President, various modes of public transport exist in Hong Kong not to facilitate or profit the operators. This thinking is tantamount to putting the cart before the horse. Modes of public transport exist to facilitate the people so that they can enjoy the proper convenience in travelling in their daily lives. Hence, the SAR Government should not think from this perspective and merely concentrate on the operation of public transport modes. President, I am sorry to say that I cannot concur with this thinking. This thinking is a very extreme case of putting the cart before the horse.

President, why do I raise such points today? We do not intend to oppose the SAR Government's proposal to maintain the fleet size of PLBs at a certain level within a certain period of time. But at the same time, the SAR Government must not easily relinquish its fundamental role of providing adequate public transport services to facilitate the people. President, PLB operators are facing difficulties and Ms Miriam LAU has just clearly pointed out those difficulties. However, she has not mentioned the problems faced by the people; maybe this is because she is a Member returned by functional constituencies.

President, according to an opinion survey conducted recently, the people consider that the largest problem with PLB service is the excessively long waiting time. 80% of the respondents consider the waiting time unacceptable. The second largest problem is that they cannot get on board at enroute locations, particularly during peak hours. If we maintain the fleet size of PLBs at a certain level, it means that we have completely ignored the demand of the users or the ordinary citizens. I consider this arrangement irresponsible.

President, the passengers do not only want to be able to board PLBs at enroute locations or to have shorter waiting time, they are also concerned about the safety, exhaust emission and fare level of PLB. The Government should not regard or handle these questions lightly. Also, the Government should not say that the proposed changes might cause complaints from operators of taxis and franchised bus services. The SAR Government is duty-bound to review the existing PLB regime comprehensively to see whether there is any room for improvement. If there is, the Government should not ignore the overall interest of society just because of some relatively selfish thoughts on the part of operators of other public transport modes.

President, if we continue to maintain the fleet size of PLBs at a certain level, one can just ask this simple question: Under the existing difficult operating environment, what sort of incentives can we provide to PLB operators to upgrade the quality of PLB services? Or is the SAR Government already so satisfied with the *status quo* that it thinks nothing can be improved?

President, almost 99% of GMB operators have now put forth a win-win proposal. They are saying that various demands of the people can be met by merely increasing the passenger seating capacity of PLBs slightly. President, I am saying that we can provide PLB operators with certain incentives so that they can replace the existing obsolete and old model of PLBs with more environmentally-friendly vehicles and they can also provide additional safety facilities for the passengers in Hong Kong, such as seat belts and safety handrails. President, this can also address the issue of fare. Just now, some Honourable colleagues have mentioned that at present, nearly 100 GMB routes have applied for fare increases. The major reason for such fare increases is that operators are indeed facing a very difficult operating environment. If the fare level of GMB service increases, the fare level of franchised bus services also increases, and together with other increases, it will create even greater inflationary pressures on

Hong Kong's economy. In that case, why does the Government not deal with these problems? Why does the SAR Government rather make the ordinary citizens bear the heavy burden of transport costs, accept the existence of a not entirely safe transport facility and inhale more exhaust fumes than consider from what perspectives can the current system be improved?

President, I consider the SAR Government's stance on this matter puzzling and unacceptable. President, today, we are not opposing the SAR Government's proposal to maintain the fleet size of PLBs at the current level. But I implore the SAR Government to adopt an attitude which gives priority to the well-being of Hong Kong people on this matter, and to carefully consider and review the current operating environment of the PLB trade, the ways to facilitate or benefit the passengers as well as the possibility of any further room for improvement. If so, I hope the authorities can make relevant proposals as soon as possible or accede to the present request made by the PLB trade to increase the passenger seating capacity of PLBs.

Thank you, President.

MS MIRIAM LAU (in Cantonese): President, I wish to clarify the part of my speech which Mr Ronny TONG might have misunderstood or missed. Just now, Mr Ronny TONG said that during my speech, I had not expressed concern about the public's views on PLB services. In fact, when I spoke just now — allow me to repeat that part of my speech for Mr Ronny TONG — I said many local residents had complained to me about the long waiting time at certain boarding locations during peak hours, and they could not get on board at enroute locations. Moreover, there might even be cases where the service schedule could not match the last railway train. I have requested the authorities to keep these problems in view and allow flexible deployment of PLBs to meet the need of the residents. Therefore, Mr Ronny TONG, as a Member returned by functional constituencies, I am also concerned about the views of the public. Thank you.

MR ALBERT CHAN (in Cantonese): President, when we discuss the issue of public light buses (PLBs), we must be mindful of the overall transportation strategy. I have mentioned the "three poor relatives" namely PLBs, taxis and non-franchised buses time and again in this Chamber. These three poor relatives

are always fighting amongst themselves. On the other hand, the *bona fide* wealthy big brother is allowed to keep on manipulating the market unrestrained. I am referring to the MTR Corporation Limited (MTRCL), the railway. The profit earned by the MTRCL this year is a hefty \$12 billion. The net profit is as high as \$12 billion. Given the MTRCL's manipulation of the market, its profit is really beyond the wildest dream of the "three poor relatives".

The Government has already undertaken to conduct, within this year, the first comprehensive review on the mass transportation system for the past 10-odd years. The Government also said that upon completion of the consultancy review, it would consider whether the role of mass carriers and other modes of public transport should be fine-tuned. Let us wait and see. Obviously, for many years in the past, starting from the early 1980s, the Government had connived the domination and manipulation of the mass transportation system, that is, railways, in the market. The domination of the MTRCL is evident from its manipulation of resources, manpower and profits. All these are blatant facts. As a result of the domination by railways, other modes of public transport have become obsolete or uncompetitive. It is just natural.

President, we can review the changes in fare level of various modes of public transport over the past 20-odd years. The fare increase rate of PLB, in particular green minibuses (GMBs), is the lowest amongst all modes of public transport. For ferries, with the recent announcement of fare increase, for example, the holiday fare of Central-Mui Wo route is as high as \$40. President, the fare of Central-Mui Wo route was only about \$5 or \$6 in the 1990s. The current level of ferry fare is nine times more than that in the 1990s. For railways, the current fare level of various railway lines is also two to three times more than that in the 1990s. For franchised buses, the current fare level of many routes is two or three times more than that 20 years ago.

Let me cite a simple example I am familiar with. I often travel on GMB and franchised bus routes plying between Tsuen Wan MTR Station and Belvedere Garden/Tsuen Wan West. At the time when the said franchised bus route began operation, there was a parallel GMB route. As a comparison, the then GMB fare was more than 30% higher than franchised bus fare. I am talking about the early 1990s which was less than 20 years ago. But at present, franchised bus fare is nearly 40% higher than GMB fare. Hence, we can see the changes over the years. The increase rate of franchised bus fare is much higher

than that of the parallel GMB route. Why is it so? This involves the situation of the "three poor relatives". It is because whenever GMB operators apply for fare increases, the Transport Department will try to suppress the increase rate. Whenever individual GMB routes apply for fare increase, the Transport Department will definitely try its best to suppress the increase rate.

PLB operators may only be small operators or ordinary citizens in the community. Therefore, the Transport Department can bully them. It cannot bully John CHAN because he is the person-in-charge of a franchised bus company. The Transport Department cannot bully the railway company because the railway company is dominating the market. The Transport Department cannot bully the ferry company because one of the persons-in-charge of the company is the Chief Executive's younger brother. Therefore, the Transport Department will try its best to bully the gullible operators. Comparatively speaking, the rate of PLB fare increases is the lowest among all public transport modes in the past 10 to 20 years. The ridership of PLBs is by no means low and its annual patronage is more than 1 million passenger trips. Although the function of PLBs is only supplementary, they still have an important role to play in the overall transportation strategy. For many people, PLB service is a necessity. Although PLB is only a supplementary means of public transport, its role is extremely important because without PLB service, many people will have to walk home from the MTR station and it may take them more than half an hour. Sometimes when there is traffic congestion and the roads are closed, the passengers must walk to their destinations and the journey is very difficult.

Hence, contrary to the stance as stated by the Government in its past papers or as reflected by its attitude, the service provided by PLBs is not dispensable. Therefore, I hope that upon completion of the review on the mass transportation system, the Government can re-position and affirm the role of PLBs. Moreover, when handling fares, the Government should not connive at the incessant fare increases sought by the MTRCL and franchised bus companies. It is because if PLBs are given the opportunity to achieve reasonable development, it can act against and balance the increasing fare of franchised buses and the MTRCL.

Why is the MTRCL acting so arrogantly? It is because it does not have to face any competition. While residents demand new coach services during peak hours to transport residents to and from work, the Transport Department cancel as many routes as possible so that no other routes is allowed to compete. It is the

same with PLBs. If the Government allows PLBs to increase passenger seating capacity, PLB routes would become more competitive and some franchised bus routes may have to be cancelled because PLB fare is most likely cheaper than franchised bus fare. If the catchment of PLB routes is allowed to be expanded slightly, PLB fare might easily be cheaper than MTR fare. Therefore, by allowing a certain mode of public transport to develop, it will invariably undermine or affect the development of other existing modes of public transport. Owing to this biased and tilted policies of the Government, some competitive modes of public transport have been unreasonably suppressed by the Government. Hence, under the present unreasonable circumstances, it is most certainly the general public and the ordinary citizens who are affected.

President, I want to go back to the policy and strategy of the development of PLBs. Since the 1980s, the Government has been gradually promoting the conversion of RMBs to GMB operation. However, in the past decade, the conversion of RMBs to GMB operation has been proceeding at snail pace. In the 1980s, such conversion took place quite rapidly. At present, almost 3 000 RMBs have been converted to GMB operation with about 1 000 RMBs still remaining. The situation is unsatisfactory indeed.

The situation is unsatisfactory mainly because the operation of RMBs is unregulated. Hence, there are many problems with the service provided. Firstly, RMB fare is unregulated. Secondly, there are often many arguments about the boarding and alighting locations. Thirdly and most importantly, there is the issue about security.

We all know that RMB termini are always managed — this term may not be entirely appropriate — controlled by persons with powers. Secretary, I still receive complaints from RMB drivers in recent years about intimidation and manipulation by persons with powers, particularly the triads. Drivers may be barred from picking up or setting down passengers at certain locations. Although these spots are the so-called "high sea" locations, drivers are still not allowed to pick up or set down passengers. If any driver dares to do so, his vehicle will be vandalized and he may even be threatened. This is something that still happens in Hong Kong and it is unacceptable.

Therefore, the Secretary can consider Of course, upon completion of the review on the mass transportation system, the Secretary can consider this

point when contemplating the role of PLBs. In the consideration of whether PLBs should be allowed to increase passenger seating capacity, the Secretary can impose a condition — if RMB operators are willing to convert to GMB operation, they will be allowed to increase passenger seating capacity. This can act as an incentive to further quicken the pace of conversion of RMBs to GMB operation. Of course, the design of routes is another important decisive factor when RMB operators consider converting to GMB operation. However, it is a sound idea to induce the conversion of RMBs to GMB operation through increasing passenger seating capacity because there are still about 1 000 RMBs in Hong Kong and their operation can sometimes create security issues and traffic congestion. We all know that when RMBs pick up or set down passengers, irresponsible driving behaviour may sometimes happen. Of course, this also involves the management of routes.

Therefore, President, generally speaking, having reviewed the development of our transport system in the past two decades, I think the Government's biased policy and attitude have, to a certain extent, created much unfairness for GMB and PLB operators.

Of course, as I have just said, all these involve the struggle of political powers. Those who are wealthy and powerful, with backing by influential people and connections can of course act viciously. Whereas for PLB operators who are only small businessmen, they must continue to bear with the Transport Department I sometimes feel infuriated by the way PLB operators are treated by officials of the Transport Department because many PLB operators are just honest and down-to-earth elders who know nothing about dealing with bureaucrats, let alone resort to political means to fight for their own interests. Many of these PLB licensees have continuously been subject to unfair treatment by officials of the Transport Department.

Therefore, I hope the Secretary can understand that in this world, not all officials are upright. Some officials are still bullying the weak and fearing the strong. This situation is still commonly found.

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

MR LEUNG KWOK-HUNG (in Cantonese): President, public light buses (PLBs) in fact have a long history. I recall that PLBs were legalized in the past because during the riots in 1967, many workers went on strike. At that time, many illegal nine-seater vans had served as a means of public transport and the Government realized that these vans could help meet transport demand. Gradually, the Government issued licences to these vans. As our city continues to expand, there is of course the constant need to improve our transportation services. While things could have stayed well, a monster has appeared in our transportation services — although this monster may well be an essential evil — the MTR Corporation Limited (MTRCL) which was formed as a result of the merger of the Kowloon-Canton Railway (KCR) and the Mass Transit Railway (MTR). These two mass transportation systems built with capital from the people of Hong Kong have since dominated the transport pattern of Hong Kong.

The Government has always maintained its "rail-based strategy". Since the commissioning of the MTR, franchised bus operators had been prohibited to run parallel services and they were made to adopt detour routes so that longer journey time was required. Of course, this is something done "in the name of the Father" and in the name of God. The assumptions then were simple. Given that the MTR was "A Railway For You" and loans were obtained from the Asian Development Bank for its construction, it was vital to recover the capital cost. Hence, other interests would have to be put aside. It was alright if the people of Hong Kong could on the whole benefit because the assumption was that the MTRCL was really working for the people of Hong Kong. As the corporation became bigger and stronger, the people of Hong Kong would become happier because transport costs would become cheaper.

In fact, this policy involves another issue, that is, the provision of subsidies for railway construction through property development projects. In other words, whenever a railway is to be constructed, various excuses are used to make available profitable above-station development projects. When the MTRCL had yet to be a "grown-up", what could be done? When it lacked capital, could it obtain another loan from the Asian Development Bank? Of course, it could not. So it approached the real estate developers and consortia to undertake the development projects. At present, the worst stink is "LOHAS Park", a private residential project developed by Mr LI Ka-shing which is serviced by a dedicated railway line constructed by the MTRCL. Mr LI Ka-shing told the public, the development was located in a beautiful and green environment, served by a railway station, just move in. If this is really a matter concerning transportation

policy, there is of course the need to construct mass transportation systems to meet the increasing transport demand. However, what method is to be used? Is this a case of "treading the path of the Devil in the pretext of God's name", or is it not? Obviously, there is now a transportation network being spun by railways reaching both far and near. In reality, the expansion of the railway network is a means to enhance incessantly the value of real estate.

Let me give a simple example. Property prices in all satellite towns, starting from the geographical constituency I represent, have been "rocketing up" exorbitantly, that is appreciation. Due to the proximity to the MTR, property prices in Tseung Kwan O have been "rocketing up". As the KCR is also part of the railway system, property prices in the New Territories East have likewise been "rocketing up". The biggest "benevolence" is done in Tai Wai, where wall buildings were built by LI Ka-shing. Someone in the Internet encouraged people to engage in property speculation, they are actually referring to the developments in Tai Wai. This is a well-known fact in Tai Wai; the buildings just block away everything.

The subject under discussion today is PLBs. In fact, we should be talking about the "Giant", that is, the railway transportation system. As railways are built, land is being developed and its premium will increase. Subsequently, the MTRCL will grant the sites to estate developers for constructing property development projects so that it can share in the profits. Firstly, estate developers are only mindful of earning profits and they are not obliged to resolve local transport problems because the area is, after all, served by the MTR. Secondly, the people of Hong Kong will never benefit from the profits earned by the MTRCL and the Kowloon-Canton Railway Corporation (KCRC).

I have to go back to history again. "In the name of the Father", the MTRCL and the KCRC were building for us. Therefore, it was alright for them to make profits. However, the Government suddenly embarked on privatization and this Council had given its unanimous support, thinking that it was a good idea. However, it turned out to be a move that "ushered in a ghost to take one's life", or "ushered in a wolf to one's house". A high stake has been paid by the people of Hong Kong in terms of high land premium and high fare. As a result, huge profits have been made by the two railway corporations but they were partly privatized. During our deliberation on the merger bill, the Secretary was sitting there and she would say every time, "That is not feasible. Some of the shares have been listed and we must look after the interest of minority shareholders. If

the Council does something inadvertent, the Government may be sued. Honourable Members should not do naughty things". Members endorsed the Government's proposals one after another; first came the privatization and then the merger. It turned out the KCRC had not been privatized. Instead of the MTRCL being taken over by the KCRC, the KCRC was taken over by the MTRCL. That means the KCRC was handed over to the MTRCL.

Today, many political parties have objected to fare increases by the MTRCL, denouncing it as "heartless". I have already said so then. I said, "Buddy, you should not allow the merger of the two railways. It should never be allowed to go private"

PRESIDENT (in Cantonese): Mr LEUNG, we are discussing the issue of PLBs.

MR LEUNG KWOK-HUNG (in Cantonese): PLBs and the MTR are related. I am getting to the point very soon. While green minibuses (GMBs) provide feeder service to the MTR, red minibuses (RMBs) are eliminated by the MTR. President, you are really very smart. You actually make me go back to the subject matter immediately.

Talking about the overall transportation policy, the existing transportation policy is, firstly, the MTRCL has always been the big winner while we cannot be benefited. The MTRCL has gone back on its words by increasing fare, not installing platform screen doors, and so on. Secondly, when franchised bus companies wanted to compete with the MTRCL, the Government was partial to the MTRCL. At that time, the China Motor Bus Company Limited (CMB) was reprovved because the MTR was to be commissioned soon and the CMB was reprovved — was that the CMB? It should be the CMB — the CMB was subsequently taken over by TSUI Tsin-tong. A consortium was taken over by another consortium.

The two railway companies were racking in huge profits. Then, it was the franchised bus companies, President, you also know that there has been a complete change-over in Hong Kong's franchised bus companies, except for the LOUEY family

PRESIDENT (in Cantonese): Please stay on the issue of PLBs.

MR LEUNG KWOK-HUNG (in Cantonese): I will talk about franchised buses first and then PLBs. The monopoly by the MTRCL has resulted in the challenge from other new consortia. Why must we yield to the MTRCL? Therefore, the restriction against franchised buses companies providing parallel services as the railway lines was abolished. The two can compete in terms of travelling speed. Certain bus routes can compete with the MTR in terms of speed. I am talking about principles of political economy. There are reasonable grounds for one consortium to compete with another consortium. Therefore, as Mr Albert CHAN has just mentioned, further pressures were exerted by franchised bus companies on PLBs.

In mentioning franchised bus operators, they join hands with the MTRCL in gobbling up the people of Hong Kong, just like wolves and tigers. At a certain point, there came the residents' coach. When one speaks, one must touch on all aspects. The point-to-point service provided by residents' coaches has also taken away the business of these operators. Therefore, they complain about the congestion created by residents' coaches in Central. Buddy, we are in Central every day; there are those chauffeur-driven cars, taking only three passengers or one passenger — you also travel in this type of car — and they are blocking Queen's Road Central. While this is permissible, residents' coaches which provide point-to-point service in carrying a large number of passengers to Central is not permissible. Why is that so? First, they have offended the MTRCL and the KCRC, that is, the present MTRCL. Second, they have offended the franchised bus operators. What sort of policy is this? This is not a policy intended to alleviate the people's hardship but to make them travel more indirectly and expensively to Central. This is a policy intended to eliminate the so-called residents' coaches.

Now, let us talk about PLBs. There are different types of PLBs. GMBs have been taken over by the consortia. Profitable routes which interchange with other modes of public transport As Mr Albert CHAN has said, it is local economy with people pitching in some money to run a GMB route. Different routes are joined together or they operate routes which RMBs have failed to operate. When GMB operators cannot maintain viable operation, they would be taken over by the consortia. While GMB routes operated by the consortia can be maintained, those not operated by the consortia can hardly continue. That is

the same case with RMBs. What is the situation with RMBs? The Hong Kong Government has adopted a hands-off attitude by letting them operate on their own, like the reckless PLBs.

President, I am really a fair person. Given the intertwining reasons, we can see that PLBs are really in a dire situation because there is no one to speak for them. Whenever we discuss issues about the plight of the disadvantaged in this Council, we will "shout to scare", like what people do on 6 March of the lunar calendar. We will shout and blame the society for forcing small operators out of business.

President, do you know how difficult it is to operate GMBs? The drivers employed are mostly elders over 60 or 65 years of age. Most of them have retired and are re-employed because they are always obedient. When they came to my office, they said to me, "Mr LEUNG, we have neither any holiday nor sick leave. We do not even have time for meals. We suffer from stomachache and haemorrhoid because of work." I asked them why did they not go on strike or stop working. They said, "That is not possible, Mr LEUNG. We depend on this job as our old-age support." Let us think about it. PLBs have been suppressed. GMB routes not operated by big consortia have been suppressed. The pressures are then transferred to workers, and as a result, a large number of "old troopers" have been employed. The consumers have no choice because the routes are designed by the Transport Department.

In fact, I only want to ask one question. Every one is talking about local economy — CHAN Yuen-han once said she wanted to organize a forum in this Council — why is it that GMBs or buses operating within a certain area cannot be run by the Government? Why can they not be operated as a co-operative society? If such a mode of operation can be adopted, the salary of elderly drivers will be no less than \$6,000. They will not be deprived of sick leave entitlement, or suffer from stomachache or haemorrhoid, or they will not be deprived of paid leave entitlement. This should be the focus of our discussion, right? While Hong Kong is a capitalist economy, the market is not omnipotent. Why can co-operative societies not be set up in local districts? What are the functions of District Council? Once again, the blame is on you people who abolished the two municipal councils so that there is no longer district administration

PRESIDENT (in Cantonese): Mr LEUNG, this resolution is about extending the effective period of the current limitation on the total number of PLBs.

MR LEUNG KWOK-HUNG (in Cantonese): yes, that is right, I almost finish. I think it is in fact unnecessary to extend effective period of the current limitation on the total number of PLBs. The reason is very simple, I have to talk about Taxi licence premium continues to increase due to speculation and there is a relationship between taxis and PLBs because they compete with each other in respect of short-haul journeys. Our transport policies, ranging from those on PLBs to taxis, have always been partial to big consortia. As a result of the policy on taxis, "80% discount gangs" appear. But the authorities still do nothing about it. They only increase the taxi licence premium because most of the taxi licences have been mortgaged, hence the premium must never drop.

President, I am the fairest person. I know you would of course say I have deviated from the subject matter. Honestly speaking, we are not in a primary school. I can tell you, a primary school is like this. When I was young, the teacher asked me, "LEUNG Kwok-hung, what would you like to be when you grow up?" I said I wanted to be a politician. Such an answer was good enough and the teacher would never bother asking you why. Of course, it is right to stay focused on the matters under discussion in this Chamber, but we can never hear any analysis from an overall perspective. The entire transportation policy is distorted and twisted, putting pressure on employees and small operators of the PLB trade. Therefore, I do not see the need to limit the total number of PLBs.

Thank you, President. I have left 10 seconds for you. I have not deviated from the subject matter.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Transport and Housing to reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, several Honourable Members have spoken just now about the proposal to limit the total number of vehicles which may be registered as public light buses (PLBs) at the level of 4 350. They also expressed concern about the service and functions of PLBs. We agree with the point raised by Ms Miriam LAU that different functions should be performed by various modes of public transport. We hope that in addition to allowing choices for the people, we can achieve a balance in the services provided by various modes of public transport so as to avoid vicious competition. This is not intended to protect any party but to bring the greatest benefits for the travelling public because if there is healthy competition in the market, the public will ultimately benefit both in terms of fare and service quality.

We also agree with Ms LAU that we must review the situation constantly, especially in view of the forthcoming expansion of the railway network. We all agree that by expanding the railway network, we can enjoy an environmentally-friendly mass transportation system. But at the same time, we must recognize the supplementary or feeder role played by other modes of public transport. In this respect, an important role is played by PLBs in servicing areas which are still inaccessible by mass carriers.

Regarding the proposal to increase passenger seating capacity of PLBs, we cannot simplify the matter. In fact, the matter has been discussed in great detail at the Panel on Transport and I will not repeat the points here. A comprehensive review has been conducted by the Transport Department and we have explained to the Panel on Transport why we consider that the proposal to increase passenger seating capacity of PLBs at this moment may impact on the entire transportation network and service quality.

Regarding Mr WONG Sing-chi's question about whether it is necessary for the Government to review if all aspects of PLB services meet the need of passengers, the Transport Department will balance various considerations such as the need of passengers and road traffic conditions before deciding whether it is necessary to increase service frequency and make adjustments to PLB services. In the more extreme cases, as mentioned by Honourable Members, when the waiting time of passengers is excessively long, the Transport Department may consider making arrangements to service the relevant routes by public transport

modes with greater passenger capacity, such as franchised buses, so as to meet the demand of the passengers.

Mr WONG is also concerned about the safety of PLBs. In this connection, the Transport Department has been exploring with the trade feasible options to install seat belts. Moreover, the Government will present legislative amendment proposals in the 2010-2011 Legislative Session to achieve a number of objectives including:

- (i) to set the maximum speed limit of PLBs at 80 km/h;
- (ii) to install speed limiters on all PLBs (good installation progress has been achieved so far); and
- (iii) to list electronic data recording device (that is, "blackbox") as a basic requirement of newly-registered PLBs.

We will present these legislative amendment proposals within the current Legislative Session.

Regarding the concerns expressed by other Honourable Members on the overall situation of the transportation network, we will of course continue to listen to the views of Members. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Transport and Housing 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 of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under Article 75 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China.

I now call upon Mr TAM Yiu-chung 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 TAM YIU-CHUNG (in Cantonese): President, I move that the resolution on amending the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region be passed.

Under the Rules of Procedure, upon a motion for the Second Reading of a bill having been agreed to, the bill shall stand committed to a committee of the whole Council. Regarding the sequence of dealing with provisions in a bill and amendments to the bill, Rule 58(5) of the Rules of Procedure provides that any proposed new clause shall be considered after the clauses of the bill have been disposed of and before consideration of any schedule of the bill, while subrule (7) provides that any proposed new schedule shall be considered after the schedules of the bill have been disposed of. Moreover, under the existing Rule 58(2), the Chairman in a committee of the whole Council may allow a single discussion to cover a series of interdependent amendments to a bill in order to save time and avoid repetition of arguments.

As a result, where the Chairman in a committee of the whole Council considers it appropriate to allow a single discussion on a series of interdependent amendments which relate to a clause, a proposed new clause, a schedule or a proposed new schedule of a bill, the Member or the public officer who proposes the amendments will need to move a motion to suspend Rule 58(5) or Rule 58(7), in accordance with Rule 91 of the Rules of Procedure, in order that the Chairman

may order a single discussion on the interdependent amendments to enable Members to consider the new clause, the schedule or the new schedule together with any interdependent clause of the bill.

As Rule 91 of the Rules of Procedure stipulates that only the President may give consent for a motion to be moved to suspend a rule, whenever such a motion is to be moved, the Chairman in a committee of the whole Council will have to order the Council to resume so that the required consent for moving that motion may be given by the President. When such a motion has been voted upon, the Council will again resolve itself into committee for the continuation of the proceedings on the amendments to the bill. In the case of a bill to which multiple sets of interdependent amendments are proposed, the procedure could become cumbersome and time-consuming.

During the Committee stage of the Minimum Wage Bill at the Council meeting of 14 July 2010, the President, in the capacity of the Chairman of the committee of the whole Council, requested the Committee on Rules of Procedure (the Committee) to examine whether the above procedure could be dispensed with.

Having studied the issue, the Committee considers that the problem lies with the absence of an express provision in Rule 58 of the Rules of Procedure to provide that when there is a series of interdependent amendments to a bill, the Chairman in a committee of the whole Council may allow not only a single discussion on those amendments but also a change of the order of consideration as currently provided in Rule 58(5) and Rule 58(7). In view of the above, the Committee recommends that Rule 58(2) be amended to clearly stipulate that where there is a series of interdependent amendments to a bill, the Chairman in a committee of the whole Council may allow a single discussion on the interdependent amendments and, if necessary, change the sequence of dealing with new clauses, schedules and new schedules as currently provided in Rule 58(5) and Rule 58(7).

The House Committee has expressed support for the proposed amendment as contained in the resolution. I so submit.

Thank you, President.

Mr TAM Yiu-chung 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.

Schedule

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

1. Rule 58 amended (Procedure in Committee of the Whole Council on a Bill)

Rule 58(2) —

Repeal

"In order to save time and avoid repetition of arguments, the Chairman may allow a single discussion to cover a series of interdependent amendments"

Substitute

"Where there is a series of interdependent amendments, the Chairman may, in order to save time and avoid repetition of arguments, allow a single discussion in relation to those amendments and, if necessary, change the order of consideration as provided in subrule (5) or (7)."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

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

First motion: Concern about the impact of the earthquake in Japan on Hong Kong.

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

I now call upon Mr WONG Ting-kwong to speak and move the motion.

CONCERN ABOUT THE IMPACT OF THE EARTHQUAKE IN JAPAN ON HONG KONG

MR WONG TING-KWONG (in Cantonese): President, I move that the motion as printed on the Agenda be passed.

The earthquake of magnitude 9.0 on the Richter Scale occurred on 11 March and the nuclear crisis in Japan have caused enormous casualties and added uncertainties worldwide. For the time being, the impact of the earthquake and nuclear crisis in Japan on Hong Kong is not serious. However, we should

not be lower our guard, for the incident is still unfolding, particularly the impact of nuclear radiation. A few days ago, the Nuclear and Industrial Safety Agency of Japan raised the rating of the Fukushima nuclear crisis to Level 5, and it said last weekend that the crisis might be raised to Level 6, which is only one level below the highest level on the International Nuclear and Radiological Event Scale (INES). Hence, we must pay close attention to the impact of the disaster.

The earthquake and nuclear radiation crisis in Japan have affected Hong Kong in various aspects. Regarding the economy, it has affected the financial market, the import and export trade, the manufacturing industry, the catering industry, the wholesale and retail industry, the transport industry and the tourism industry, and so on.

Let us first look at the impact of the earthquake and nuclear radiation crisis in Japan on the trading and manufacturing industries in Hong Kong. Japan is one of the several major sources of import of Hong Kong, accounting for 9.2% of our total imports, of which a considerable percentage is re-exports, and the percentage of import for our local consumption is not that high. Imports for local consumption being affected include food products, industrial materials and semi-manufactured goods. Though the supply of these items is being affected, the impact exerted depends on whether substitutes can be found. Basically, it is not difficult to find substitutes. Milk powder is one of the examples and it is not difficult to find substitutes for Japanese food materials. However, enterprises may have to pay higher prices and spend more time to find substitutes, which will, to a certain extent, affect their cost and operation.

In the industrial sector, it is learnt that substitutes for certain critical components can be hard to found, such as BT resin, a plastic material for manufacturing cases, and Anisotropic Conductive Film (ACF), an interface for LCD touch panel of mobile phones. Regarding the production of these products, Japan accounts for 70% to 90% of the global supply, and these products are critical components for the manufacture of integrated circuits and LCD touch panels in the electronic industry. However, 40% of the production plants of BT-resin and ACF products in Japan are located in quake-hit areas. The shortage of these components will affect the downstream manufacturing industries. Nonetheless, the manufacture of these downstream products is not common in Hong Kong, and the shortage has mainly affected manufacturers in Taiwan and South Korea. However, Hong Kong and Mainland enterprises

manufacture products further down the stream, like the assembly of computers and mobile phones, so once the supply chain is interrupted, they will be affected indirectly in some measure.

The crux of the issue is, how long will the production of these factories in Japan be suspended because of the disaster? How far will their productivity be disrupted? What is the current inventory level? What is the demand for this type of components in Hong Kong?

Regarding Hong Kong's exports to Japan, they mainly include telecommunications products, audio-visual products and electric machinery, and so on. The exports to Japan may decrease, as people in Japan may be more prudent in spending. Since exports to Japan only accounts for 4.2% of the total exports of Hong Kong, and that the economic loss brought by the earthquake and tsunami is only 0.5% of the GDP of the next financial year in Japan, there will not be substantial decrease in demand for Hong Kong's exports. In my view, the slide in Japan's economy will not seriously affect the exports of Hong Kong. However, it should be noted that over 50% of the exports are electronic-related products, so the earthquake and the nuclear radiation crisis will have greater impact on the electronic industry in Hong Kong.

As for the tourism industry, in terms of outbound tourism, Japan is a relatively popular destination. Yet, apart from Japan, people may visit other places. Since there are other tourism destinations in replacement, overall speaking, the disaster does not have much impact on outbound tourism. In respect of inbound tourism, inbound Japanese tourists do not account for a high percentage in the number of inbound tourists. Last year, there were 1 317 000 person trips of inbound Japanese tourists, which accounted for 3.7% of total inbound tourists. Moreover, the disaster has not affected the entire territory of Japan, and the quake-hit areas are sparsely populated. On the assumption that half of the potential Japanese tourists decide to postpone their outbound travelling plan because of the current natural disaster and the nuclear radiation crisis, the loss incurred by Hong Kong on the export growth rate of Japan tourist services, according to the estimate of per capita spending and deduction of the value of import, will be around HK\$2.25 billion, which accounts for 0.1% of the GDP of Hong Kong. Though inbound tourism income from Japanese tourists will not be greatly affected, the Hong Kong Tourism Board has stepped up promotion in

other regions to make up for the income shortfall arises from the decrease in inbound Japanese tourists.

Due to the concerns of radiation contamination and food safety, Japanese restaurants and Japanese product outlets are facing the problem of shortage of supply and rapid surge in prices, and individual operators have been heavily hit. At present, the public still have reservation about Japanese cuisine psychologically, and they are unwilling to patronize Japanese restaurant. As a result, the business of these restaurants has dropped significantly by 20% to 50%. The situation is very serious. If the situation persists, some Japanese restaurants will fail to survive the difficult times, which will greatly affect the catering industry as a whole.

President, the earthquake and nuclear incident in Japan have greater impact on enterprises in the electronic product trade, Japanese restaurants and enterprises selling Japanese products. As the incident is still unfolding, the extent of the impact may increase. Hence, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) considers that the SAR Government must closely monitor the impact of the Japan disaster on various industries in Hong Kong, and help them address the existing problems and greater difficulties that may arise.

The SAR Government may provide support, such as disseminating more information, assisting the trades to find replacement products, so as to alleviate the pressure brought by the supply and fluctuating prices of Japanese goods to the trades. In the long run, the Government should assist the trades to diversify their sources of supply and markets, so that they will not have to rely excessively on a single place or a single product in terms of supply and customer source.

In respect of the difficulties faced by Japanese restaurants and enterprises engaging in Japanese food products, the SAR Government should perform its gatekeeper's role properly. It should enhance the testing of Japanese food to boost the confidence of Hong Kong people in consuming Japanese food. The authorities should strengthen radiation testing on products from Japan to prevent the inflow of radiation-contaminated goods into Hong Kong, which will deal a further blow to the operating environment of the trading industry and manufacturers.

Recently, there was a panic buying of salt and iodine tablets in Hong Kong. Some people have brought impractical radiation detection apparatus, while some people have called for a complete halt of the construction and operation of all nuclear power plants. It is palpably evident that they do not know much about radiation and nuclear power. The SAR Government should enhance the transparency of information, providing timely and accurate information at regular intervals and step up publicity and education works on nuclear energy to enable the public to make rational judgment, and reinforce the public's confidence on the SAR Government. As a saying goes, "A wise man shuts his ears to rumours". The SAR Government should join hands with the public to stop these rumours, so as to prevent various trades and the public in Hong Kong society from the needless torture.

When necessary, the Government should consider reinstating the Special Loan Guarantee Scheme launched during the financial tsunami to provide assistance to small and medium enterprises of Hong Kong experiencing difficulties in operation and to protect employment. This will alleviate the blow dealt to the economy and Hong Kong society by the earthquake in Japan. Hence, we support the amendment of Mr Tommy CHEUNG.

President, regarding the impact of the earthquake in Japan on the various trades and industries in Hong Kong and the corresponding measures of the Hong Kong Government, other colleagues from the DAB will explain in detail. Regarding concerns about food safety and nuclear power safety in Hong Kong aroused by the nuclear crisis in Japan, other colleagues from the DAB will go into details on the relevant development, our views and our responses to the various amendments shortly.

President, the Hong Kong Government's responses to the earthquake and nuclear crisis in Japan can be regarded as swift. Regarding the impact of the earthquake and nuclear crisis in Japan, part of it will be short-term but part of it will last longer. Besides, the incident is still unfolding. The SAR Government should thus respond promptly to the development of the incident to minimize the impact on the economy and society of Hong Kong.

President, I so submit.

Mr WONG Ting-kwong moved the following motion: (Translation)

"That, since an earthquake of magnitude 9.0 on the Richter Scale that occurred in Japan on 11 March has, apart from causing enormous casualties, also affected the global economy, this Council urges the SAR Government to, having regard to the latest development of the incident, strengthen the monitoring of the impact of the earthquake in Japan on Hong Kong's financial market, import and export trade, consumer market of Japanese products and tourism industry, and provide timely information and adopt effective measures, so as to lessen the impact of the earthquake in Japan on the Hong Kong economy and stabilize people's confidence; at the same time, given that the problem of nuclear power safety triggered by the earthquake in Japan has aroused Hong Kong people's concern about their health, this Council urges the SAR Government to step up surveillance of the radiation levels in Hong Kong and the safety tests on food products imported from Japan, and announce the relevant surveillance information as soon as possible; moreover, the SAR Government should strengthen the publicity of the contingency plan for nuclear power incidents to the public, and recommend the Guangdong provincial authorities to increase the number of non-routine inspections and perfect the existing notification mechanism for nuclear power incidents."

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

PRESIDENT (in Cantonese): Mr Frederick FUNG, Mr Albert CHAN, Ms Audrey EU, Mr Tommy CHEUNG, Mr WONG Kwok-hing, Mr KAM Nai-wai and Mr James TO will move amendments to this motion; and Mr Jeffrey LAM will move an amendment to Mr Frederick FUNG's amendment, Prof Patrick LAU will move an amendment to Mr Albert CHAN's amendment, Mr Abraham SHEK will move an amendment to Mr KAM Nai-wai's amendment and Mr LAU Kong-wah will move an amendment to Mr James TO's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon the above Members to speak one by one; but no amendments are to be moved at this stage.

MR FREDERICK FUNG (in Cantonese): President, the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I would like to express our deepest lament to victims killed in the earthquake and tsunami in Japan, and offer our sincere condolence to the injured, the homeless and victims awaiting rescue and rehousing. We believe their resilience, fortitude and discipline have won acclaim and applause worldwide. These attributes will help them walk out of the darkness of disasters placidly, and move towards reconstruction and recovery. They will be strengthened to rise to future challenges.

On 11 March, soon after noon, the world was shaken by the scenes broadcast on television. An earthquake of magnitude 9.0 hit Tohoku and Kanto in Japan. The monumental earthquake had not only shaken the earth but triggered a tsunami of 23.6 m in height, engulfing nearly the entire coast of northeastern Japan. Thousands of people lost their lives and homes all of a sudden. The disaster has caused enormous casualties and injuries. We saw on television the ravage of the entire town, vehicles and roads, and other facilities by the unexpected tsunami. The tsunami was almost devastating, and it was more destructive and frightening than the earthquake.

Hong Kong people who live in a relatively comfortable environment have seldom been affected by big natural disasters in Hong Kong. The imminent shock and helplessness brought by the disaster in Japan are beyond words. The great power of nature and the smallness of men are in stark contrast. According to the figures announced by the National Police Agency of Japan yesterday, the death toll of the earthquake and tsunami had increased to 11 232 people, and 16 361 people were still missing. Last week, the Cabinet of Japan announced that the estimated economic loss incurred in the earthquake had reached ¥250,000 billion (US\$308.6 billion), but this has not included the impact of the nuclear leak.

A nuclear crisis has been set off by the monumental earthquake and tsunami, which has become the worldwide focus in this worst disaster. It turns out that man-made disasters are far more horrible than natural disasters. On the

day of the disaster, a 14-metre-high tsunami hit the Fukushima Daiichi Nuclear Power Plant head-on, which was designed to stand five-metre-high tsunami. The reactor had shut down automatically, but since the inundated emergency cooling system had stopped working, the temperature of nuclear fuel rods could not be brought down.

The crisis has thus been precipitated. The four reactors "broke down" in succession, which was unprecedented. There were releases of radioactive steam from reactors, repeated hydrogen explosions and failure of the cooling function of the spent fuel rod pool. Crises occurred in a series. As regards the latest situation, it was found that high level radioactive accumulated water has been leaking directly from the reactor containment shaft, which is an evident of a partial meltdown of the core of the reactor. Last Saturday and Sunday, the Hong Kong Observatory detected minute amount of radionuclide Iodine-131 from Fukushima at King's Park monitoring station.

Moreover, soil and potable water in the peripheral area as far as 10 km to over 100 km away from the Fukushima nuclear power plant have been contaminated by radiation. At present, the level of radioactive Iodine-131 detected in several agricultural products, vegetables, milk and even potable water has exceeded the standard level. In view of globalization, frequent flow of visitors and goods, and business activities, we will inevitably be exposed to food and goods contaminated by radiation, and visitors have been exposed to radiation may enter into Hong Kong. Actually, these incidents have already happened. Radioactive substances detected in two food samples have been found exceeding the standard levels, and the SAR Government has immediately banned the import of food from five prefectures in northeastern Japan.

The Government has taken swift actions. In the aftermath of the disaster, briefing sessions on the incident of Fukushima nuclear power plant have been held every day to alleviate worries of the public and enhance transparency. I think the Government should do so, and it should be encouraged to continue with such an essential practice. However, in view of the Fukushima nuclear crisis, as well as the severity and unpredictability of the prevailing situation, I urge the Government to continue strengthening the clearance check and information dissemination. It should by all means enable the public to know and understand the actual situation, so that they will act in a rational and proper manner.

In the view of the ADPL, this crisis must be dealt with at various levels and from various directions. First, it is the short term influence. As I mentioned earlier, the authorities have to handle directly the proliferation and spread of radioactive substance from Fukushima, so that society will take rational actions. Second, the authorities have to strengthen the surveillance on nuclear power plants and enhance transparency. It should also be well-prepared for possible nuclear incident and reinforce education, so that the public will know how to react to such incidents. In the long run, it should examine the pursuit of nuclear energy for electricity generation.

Last week, an "irrational salt-buying spree" swept the Mainland and Hong Kong, where people went scrambling for salt in panic. Many people were caught between tears and laughter in the face of this scenario, and some Members thought that Hong Kong people were just humiliating and embarrassing. Some members in the media attributed such behaviour to the less-educated grassroots, some people held discriminating views that it was the new arrivals who had acted irrationally. There were even criticisms linking the incident to the incapability of the Government in good governance and its failure to honour its promises to the public. People making such comments have not given deep thoughts about the incident; I think they have improperly escalated the incident to a high level, and I cannot agree with these comments. Actually, in an open and civilized society, is it incorrect for the public to have fear about the hazard of nuclear power? Should they not have such fear? Panic buying of iodine tablets was also found in some cities in the United States.

In fact, the "blind salt-buying spree" only reflects the fear of nuclear power instilled deep in people's heart. People have learnt from history the power of an atomic bomb, and the disaster and impact brought by serious nuclear incidents, as in the case of the Chernobyl nuclear power plant in the former Soviet Union. It is evident that nuclear power is beyond the control of human beings. Hundreds of thousands of people have developed cancer due to exposure to radiation, not to mention the serious damage done to the natural environment. Please bear in mind that a vast area in the periphery of the Chernobyl is still in desolation.

To alleviate the fear of the public about nuclear power, the authorities should reinforce public education, so as to enhance the knowledge of the public on nuclear power, and make proper contingency arrangements for possible nuclear incidents. At the same time, it should enhance the notification and

contingency systems, as well as the transparency of nuclear power plants on the Mainland to set public's mind at ease. This is the obligation of the SAR Government and the Central Government. I strongly believe that everyone will face the same risk when struck by a nuclear disaster. If the incident occurs in Hong Kong, Shenzhen and even the Guangdong Province as a whole will not be spared. Hence, in examining the contingency and notification arrangements, Hong Kong and the Mainland should co-operate closely and avoid working on its own.

Since the Fukushima nuclear leak incident has affected an area within 100 km in radius, the SAR Government cannot act slackly as it did in the past. The urban centre of Hong Kong is only about 50 km away from the two nuclear power stations in Daya Bay and Lingao respectively, and within a distance of 200 km between the Mainland and Hong Kong, there will be six nuclear power stations to be in operation. Hence, a comprehensive notification system and contingency strategies on nuclear power incidents have to be put in place. It can brook no delay.

The Prime Minister of Germany, Angela MERKEL, pointed out after the Fukushima nuclear incident in Japan that despite certain risks were regarded as minimal, it did not mean that they could be ruled out completely. In actuality, the unprecedented earthquake and huge tsunami occurred in Japan this time were completely beyond the projection of the original risk assessment conducted for the nuclear power plant.

Some time ago, members from the ADPL and I visited the Daya Bay Nuclear Power Station. The plant management pointed out repeatedly that nuclear power was safe, and that given the multi-protection of the reactor, the chance of a radiation leak would be extremely slim. However, we should learn from the nuclear incident in Japan that unexpected risks should never be ruled out. Moreover, in the event of a radiation leak, Hong Kong can in no way bear the extensive and far-reaching impact, as well as the repercussions.

On the pursuit of nuclear energy for electricity generation, I put forth the amendment today to urge the Government to learn from the nuclear incident in Japan, to completely shelve the proposal of increasing the proportion of imported nuclear power to 50%, and to start an extensive discussion in society anew.

After the nuclear disaster in Fukushima, do we wish to see the construction of any new nuclear power facilities in our vicinity? As a new nuclear power station commences operation, does it imply there will be higher chance of a radiation leak? We cannot but ask, is the pursuit of renewable energy not a way out due to its high cost and low efficiency? Should we not seize the time to make use of the land and space on the Mainland, particularly when the 12th Five-Year Plan has offered support in new energy sources and put in additional effort to study, develop and explore renewable energy in full gear? Should Hong Kong advance in the same pace and give the same support to the practice? Can the shortfall in future energy demand be made up through the promotion in energy saving and the development of renewable energy? Should the SAR Government set the lofty aim to invest in establishing a low-carbon and low-consumption mode of economic development, so as to serve as a model to the Mainland which is undergoing rapid economic development? We must think about these issues thoroughly.

President, I so submit.

MR ALBERT CHAN (in Cantonese): President, regarding the situation of the nuclear accident, I would like to read out a paragraph describing the nuclear accident. This short paragraph is extracted from the book *Nuclear Inc.: The Men and Money Behind Nuclear Energy* written by Mark HERTSGAARD, and it reads, "the cumulative effect of all design defects and deficiencies in the design, construction and operations of nuclear power plants makes a nuclear power plant accident, in our opinion, a certain event. The only question is when, and where." His remark was made after the Three Mile Island accident. The Chernobyl nuclear power plant accident and the nuclear accident in Fukushima Japan then occurred.

President, in the 1970s, when I was studying in Canada, I had participated in a number of anti-nuclear demonstrations. Basically, since I have knowledge and understanding of social affairs, I have adamantly opposed the use of nuclear energy for electricity generation, for accidents are inevitable, as mentioned in the aforesaid remark by the writer. Many human factors are involved, and despite extremely stringent preventive measures, accidents may eventually occur. The economic benefits brought about by nuclear power can in no way compensate the impact of a nuclear power plant disaster.

The Chernobyl accident and the current accident in Fukushima have fully revealed the seriousness of the situation. Regarding the three accidents in the past, including the one in Fukushima Japan, the three nuclear power plants commenced operation in the 1970s, though you may say that those facilities are relatively outdated, it does not mean that measures adopted by new nuclear power plants are absolutely foolproof.

Let us look at the impact of those incidents. In the Three Mile Island incident, 140 000 people had to be evacuated; in the Chernobyl incident, 350 000 people had to be evacuated; and in the Fukushima incident in Japan, by now, as many as 180 000 people have been evacuated. As for the death toll, in the Three Mile Island incident, no one died, and in the Chernobyl incident, 200 000 people died of the incident directly and indirectly. In the Fukushima incident in Japan, I think the death toll will only be made clear later.

As for the remedial costs incurred, \$2.4 billion was spent in the Three Mile Island incident and \$6.7 billion was spent in the Chernobyl incident. As in the case of Japan, it may cost an astronomical amount. Regarding the area affected, an area of 150 000 sq km was affected in the Chernobyl incident. In the comparison of radiation dose, in the Chernobyl incident, it was 400 times of that caused by the atomic bomb dropped to Hiroshima. In the case of Fukushima in Japan, according to the latest estimation, the radiation dose is 60% of that in the Chernobyl incident. Hence, the severity of the incident is alarming.

In view of the series of accidents, President, many people say that Premier WEN Jiabao of our great Motherland has recently ordered that comprehensive and thorough inspections should be conducted on the safety measures and existing operations to ensure that everything is safe. However, I would like to point out that no plans or preventive measures can provide absolute guarantee. We may look at the case of the Fukushima nuclear power plant in Japan. The design of the plant had already taken into the account the hit by tsunami and problems arisen from earthquakes. However, the seawall was built to resist only a 19-foot-high wave, whereas the tsunami triggered by the 9.0-magnitude earthquake had brought a wave of 46 feet in height.

President, the second concern is about earthquake zones. More often than not, when a certain location is identified for building a nuclear power plant, it is natural that it is a safe location or anti-quake facilities are available. However,

estimation of the earthquake zone made in the past has often been denied in history and proven wrong.

In 1918, there was the 7.5-magnitude Nanao earthquake, which is also known as the Shantou earthquake, President. The epicentre of the earthquake was under the sea 10 km off the northeast of Nanao Island, which was in the southeastern part of Guangdong Province. At that time, the old county town Shenao and its periphery in Nanao were devastated by the earthquake. The entire earthquake zone had shifted and moved after that earthquake. Hence, sources revealed recently that new earthquake zone might be found in the stretch of Daya Bay. As new information about the movement and change of the earth crust become available, regions used to be considered safe for building nuclear power plants, where nuclear power plants have already been built, may now be located in the vicinity of an earthquake zone.

President, I would like to point out that when we talk about the impact of nuclear power plants to Hong Kong, we only refer to the Daya Bay Nuclear Power Station. On the whole, the number of nuclear power plants has not reached a terrifying and alarming level at present. However, if nuclear power plants under construction or in the planning stage are also included, the number will be terrible, President.

In several neighbouring provinces a few hundred kilometres away from Hong Kong, namely Guangdong, Guangxi, Fujian, Hunan, Hubei and Jiangxi, and so on, three nuclear power plants are now in operation, and two of which are in Guangdong Province. In the event of a nuclear accident, the area in a few hundred kilometres will generally be affected and will surely be affected by radiation.

At present, six nuclear power plants are under construction and 11 are in the planning stage. In the six provinces mentioned, there are a total of 20 nuclear power plants under construction, in the planning stage or in operation. There are 20 nuclear power plants in several neighbouring provinces of Hong Kong. If an accident occurs to any of the 20 nuclear power plants that results in a radiation leak, Hong Kong will definitely be affected. Whenever I think of this, I will be terrified. It seems that we are surrounded by 20 time-bombs.

Regarding these nuclear power plants, the area and the total generation capacity of certain plants are alarming. In comparison with the Fukushima nuclear power plant, the capacity of many of these plants is much higher, and some of these plants are several times larger in terms of area. In respect of electricity generation, the Fukushima nuclear power plant comprises of several units, which means there may not be only one but several generation units in a nuclear power plant. If there are any problems with any of these units, the consequence will be disastrous.

Besides, the accident does not have to be a serious one, as in the case of Fukushima or Chernobyl, to bring fatal consequences. Members know full well that nuclear radiation will affect potable water, food and human beings, and most often, it causes slow deaths. The influence will take effect in a few days in the short term or in several years in the longer term. The Chernobyl case is a very good example. Some time ago, I watched a re-run of that accident broadcast on the Discovery Channel on television, and I learnt that the impact of the accident was far-reaching.

President, I think it is the time for the people of Hong Kong, and even all the people of China, to reassess the impact of electricity generation by nuclear power. Certainly, nuclear electricity generation has brought convenience, and we have all experienced the economic benefits brought by it. As to whether renewable energy is a direction for development, it is worthy of reconsideration. The desire for convenience and cheap cost should not be met at the expense of exposing China to disastrous consequences in the future.

Hence, President, in my amendment, I urge the authorities to stop the construction of all nuclear power plants, including plants already planned and being planned, and to progressively close down existing nuclear power plants, so that there will be no more nuclear power plant in China, enabling our next generation to lead a more stable life. Thank you.

MS AUDREY EU (in Cantonese): President, Mr WONG Ting-kwong proposes a motion today, and with the amendments and the amendments to amendments, there are altogether 12 items, which I believe is a new record.

President, Members are surely concerned about the Fukushima incident, and we see that the incident is still unfolding. Yet to me, the entire incident on nuclear leak in Fukushima has particularly impressed me in three aspects. First, the calculation of today will be a mistake tomorrow. More often than not, the design of a nuclear power plant must involve quite a number of assumptions, regardless of all the calculations and preparations made by experts, as stated by Mr Albert CHAN earlier, men can only make the most accurate calculation according to the data available to them today. Most often, despite the planning of men, the heaven overrules. Actually, we have seen many so-called once-in-a-century or once-in-a-millennium incidents or disasters that are beyond the knowledge of men. These incidents are far too many.

President, the second point that impresses me deeply is that human error is inevitable despite the most accurate calculation. In fact, it is revealed in many recent reports that the Fukushima incident was caused by many problems exist long before the earthquake, and the Japanese have been covering up many issues in this incident. However, these are common problems of mankind, which are not unique in Japan. These problems are also found in China, Taiwan, Hong Kong, France, Britain and other places. The weaknesses of human beings can be seen everywhere. Besides, concealing is the most common weakness of men. In actuality, they do not mean to deceive others, only that they dare not face the grave difficulty. Hence, the Japanese authorities, by all accounts, wish that the incident would only be ranked at Level 4 rather than Level 5, or Level 5 rather than Level 6. Though they indicate that the core of the reactor may be damaged, they hope that it may not necessarily be the case.

In fact, despite the demand for a high degree of transparency, will it serve the purpose of surveillance? Some people say that fear of nuclear energy is uncalled for, for the International Atomic Energy Agency and all experts around the world are monitoring the situation. If there are any problems, all experts around the world will provide assistance. However, as the nuclear leak incident in Fukushima goes on, we understand that despite the concerns of all the world experts about the incident and their eagerness to help, it does not mean that the incident can be settled swiftly.

The third point that impresses me in particular is that not much can be done in the event of an incident, regardless of the level of the incident. According to the news report today and yesterday, we learnt that the radioactive fallout from

the Fukushima incident could encircle the earth one time. Two weeks later, the fallout will reach Hong Kong. In fact, it is now detected in Hong Kong. Though the radiation dose is meagre, posing no threat to our health, the incident is still unfolding, and other elements apart from Iodine 131 and Cesium 137 are being detected. Plutonium, which damage lasts for ten thousand years, is one of these elements. The damage so inflicted is beyond imagination. Since contaminated soil will affect the water and the ocean, the damage and harm done to the human race and the earth will be extremely far-reaching and long-lasting. Do we really have to take such risk?

Many amendments have been proposed to the original motion today, yet there is consensus in many aspects. For instance, the request for safety reviews, enhanced transparency, and better preparations, such as drawing up of contingency plan and setting up of fallout shelters, and so on. Consensus has been forged in these aspects. However, there are profound differences in areas that Members proposed further amendments, that is, whether development of nuclear energy should be called to a complete stop. For instance, should Hong Kong increase the proportion of nuclear power to 50%, should existing nuclear power plants be closed progressively, or should we express regret for the failure of the SAR Government to conduct incident drills.

President, regarding these areas subject to further amendments, in addition to comments of experts, some people who are in support of nuclear power say that we have no choice. They say that in developed economies, there is no alternative but to develop nuclear energy. Experts also tell us that nuclear energy is definitely safe. Do we really have no alternative?

President, I learnt recently that TSAI Ing-wen from the Democratic Progressive Party of Taiwan had expressed the intention to introduce the "2025 nuclear-free homeland" plan. She said that by lowering the reserve capacity, it would create a difference, and the authorities should then identify ways to enhance energy saving, pursuit cleaner and more efficient fire-powered electricity generation, and develop renewable energy. Irrespective of the correctness of her remarks and the practicability of the plan, at least I see that the leadership of certain regions and certain influential people are considering whether they really have no alternative and whether discussions about this issue should be conducted.

Apart from proposing my amendment to raise concern on education and certain contingency plans, I earnestly hope that the people of Hong Kong, the SAR Government and the Central Government in particular, will stop and think if it is true that there is no alternative.

Let us look at the situation in China. In fact, China did not plan to develop nuclear energy in a large scale right at the beginning. In 2007, the State approved the first middle-to-long-term plan on nuclear power development. It was hoped that the nuclear power capacity would be increased to 4 000 MWe in 2020, but it was only 2% to 4% of the total power supply of the country. Although the State indicates that it will build many nuclear power plants, China does not necessarily have to rely on nuclear power. We should think seriously whether the percentage of nuclear power required can be met by electricity generated by renewable energy or other methods rather than such a dangerous approach, which may be described by a Chinese saying as "getting chestnuts from the fire". I think it warrants deep thought.

Let us look at the generation units that have already been built, or ready to be built. Mr Albert CHAN has cited some figures earlier. In fact, the figures cited in various reports differ from 20-odd to 30-odd generation units. It all depends on the places, the number of generation units and the number of nuclear power plants included in the computation. No matter what, along the southern coast, particularly for all nuclear power plants in the planning stage, being planned or under construction According to the map at hand, the simplest way to discern the situation is that all provinces in red are planning to build nuclear power plants. A majority of these plants will be in Guangdong Province, and it is expected that 15% of the power for Guangdong Province will come from nuclear energy. I said earlier that the State planned to increase nuclear power capacity to 4 000 MWe in 2020. However, in view of the favourable development trend, it has made a latest adjustment to increase the development objective to 7 800 MWe.

Indeed, what is the problem? The problem is that nuclear power involves enormous interest. The development of a nuclear power plant involves an investment of tens of billions of dollars to over hundreds of billions of dollars. Take the Daya Bay Nuclear Power Station as an example. The annual tax paid is around RMB 200 million yuan, and the accumulated tax paid amount to RMB 4 billion yuan. According to many reports, the China Guangdong Nuclear Power Group is purchasing some nuclear material. It is also planning to do

backdoor listing and make major investment in other nuclear power projects, such as tendering for various nuclear power plants in joint venture with France.

Members know that business opportunities are very important and their influence is significant. This is a cause of concern to us. The supply of talents is also a matter of concern, that is, whether talents in the field of nuclear energy can be nurtured within a short time. We are also concerned about this.

MR TOMMY CHEUNG (in Cantonese): President, the nuclear radiation leak in Fukushima Japan has not yet been put under control. Worse still, radiation is spreading beyond Japan through ocean current and wind. Yesterday, the Hong Kong Observatory announced that radiation fallout in minute amount was detected in Hong Kong last Saturday. However, I would like to stress that the radioactive substances from Fukushima carried by sea or by air would have been greatly diluted as they reach Hong Kong. As for food contamination, by now, only a small amount of food imported from Japan has been detected containing radiation slightly exceeding the standard. The radiation absorbed through the continual consumption of such food for a year will be less than the level absorbed in a chest X-ray, the influence on our body is extremely small. Besides, the food in question had been retrieved immediately and it had not entered the market. Hence, I think we should not overreact at the present stage, but should rather handle the situation calmly.

Having said that, I agree we should not take food containing minute radioactive substance lightly. The authorities must make rigorous effort and start implementing contingency measures to avert the public from buying problematic food and to prevent radioactive substances from entering the food chain of Hong Kong. The catering industry always attaches great importance to food safety out of the concern of the interest of the public, and the industry will definitely make every effort to cope with the surveillance measures implemented by the authorities for problematic food.

As far as I know, many Japanese restaurants have adopted flexible measures to cope with the situation by using food materials imported from sources other than Japan. I am somehow worried about those restaurants and retail outlets which selling points are focused on food imported from Japan, for their turnover have plunged substantially these days.

Actually, Japanese food available in the market has passed the radiation test conducted by the authorities, only that the public have reservation about them. If the authorities agree to issue supporting documents to stress that the food has passed the radiation test, it will surely be desirable. Also, the trade hopes that they can test the food purchased on their own. However, the authorities consider that radiation testing apparatus for use by the public may not meet professional standard.

President, the trade is unfortunate to be caught in this difficult situation. The authorities are obliged to provide support, act more proactively and make rigorous effort rather than giving ambiguous responses. Since the trade is willing to take the cost, the authorities should act proactively to provide the channel and accreditation, so as to help the trade procure radiation testing apparatus that meet the standard.

Certainly, the trade considers that the best approach to salvage their business is for the authorities to fulfil the gate-keeping function properly, ensuring that no problematic food will slip through the net. It will thereby restore the confidence of the public in consuming food imported from Japan with safety guarantee.

The authorities have heeded the views to announce the testing results of food imported from Japan every working day, and it has explained the entire testing process in the group on Facebook. However, the trade considers the measures far from adequate. The authorities should further enhance the transparency of the testing process, so that the public will understand that the measures are reliable and safe.

The message on Facebook can only get through to frequent Internet users, so the authorities should make use of the media which have a wider coverage to disseminate the correct information to the public. As the Chairman of the Panel on Food Safety and Environmental Hygiene, I have requested the Secretariat to arrange a site visit for the Panel. We wish to observe in person the entire food testing process, that is, the process of unloading the food imported from Japan from cargo aircrafts or vessels to the testing of the food. We intend to invite the media to report the on-site visit to present to the public every step in the testing process through the media, television broadcast in particular.

Moreover, since there are many uncertainties in the incident, the authorities must strengthen the tracing and notification mechanism of food with government institutes of Japan and other places. It should notify the trade in the first instance of information on radiation contamination in food to spare the trade from purchasing problematic food inadvertently.

The trade believes that the problem will not be solved within a short time, it thus support the establishment of a long-term mechanism to put radiation contamination of food imported from Japan under constant surveillance. Subsequently, the scope of surveillance should be extended to random testing of food from other regions. If manpower is an issue, the authorities may apply for funding from this Council. Out of the concern of public health, I believe colleagues will surely give their support.

In actuality, given the national-wide calamity, Japan has to reduce its food exports, as well as purchase food from other regions, to meet its domestic demand, and this will lead to a tighter food supply worldwide.

To the catering industry in Hong Kong, they have already been facing increasing costs in all aspects, including rental, food and wages, and the prevailing nuclear crisis will push food prices further up. In other words, not only Japanese restaurants will be affected, other restaurants of small and medium scale will suffer from the chain effect, facing additional pressure in operation.

President, the catering industry is not the only trade to suffer. Like the catering industry, many other industries are hard hit by the series of disasters in Japan, and the impact will surface progressively. The tourism industry is a case in point. Since the occurrence of the disaster, many tourism agencies have stopped their Japan tours, and the suspension will last till the end of April. It is learnt that the accumulated loss in turnover may exceed \$100 million. They suffer heavy loss.

Moreover, since the quake-hit area in Japan is a major production base of watch and clock movements, automobile parts and general electronic parts, the supply chain of many enterprises has been interrupted by the disaster. Even though the production base of certain electronic parts is far from the quake-hit area, the production of many manufacturers is affected by the restricted electricity supply. The problem of shortage in supply is made even more acute.

In Hong Kong, since half of our exports are related to electronic products, the disaster has dealt a severe blow to us. Some members of the watch and clock industry say that since suppliers in Japan cannot confirm the delivery date of parts, their production has to be stopped once their inventory is out of stock.

As for the supply of computer parts and electronics related products, there are also problems of unstable supply and substantial increase in prices. For instance, for products like external hard disks, memory cards and RAM imported from Japan, it is learnt that the prices of supply of these products have increased by 10% to 20%.

Certainly, the trade will work hard to remain self-reliant, but the nuclear radiation crisis in Japan has no sign of subsiding, and bad news keeps unfolding. Economic academics project that the impact of the disaster has not surfaced completely by now.

Hence, one of the focuses of my amendment is to urge the authorities to follow the experience of implementing relief measures for the financial tsunami to provide prompt and tailor-made assistance to trades affected by the crisis triggered by this natural tsunami.

Actually, the Special Loan Guarantee Scheme set up specifically for the financial tsunami only stopped taking applications since 1 January this year. To save time and effort, the authorities may as well reinstate the Scheme, offering the remaining loan guarantee commitment to assist trades now facing difficulties in operation. The arrangement will minimize the impact of the crisis on the economy and the employment market of Hong Kong.

Concerning nuclear safety in Hong Kong, we cannot be too careful and we cannot afford to miss anything out. The authorities should get well-prepared. It should follow the practices adopted by other places and plan for emergency fallout shelters at appropriate locations in Hong Kong, particularly in the East New Territories region which is relatively close to the Daya Bay Nuclear Power Station, so that the public will have temporary shelters in the event of any accidents. When the authorities conduct incident drills next year, it is more appropriate to include public participation, which can enhance the capability of the public in responding to nuclear incidents.

In view of the successive completion of new nuclear power plants in Lingao, Taishan, Yangjiang and Liufeng of Guangdong Province, the Hong Kong Government should proactively reflect to the Mainland the concern of Hong Kong people about nuclear safety and urge the Mainland to enhance the transparency of the operation of nuclear power plants. For instance, the Government should obtain safety check reports from the Daya Bay Nuclear Power Station or the Ling Ao Nuclear Power Station and give a detailed account to the Legislative Council and the public, so as to set the mind of the people at ease. Regarding the proposal on increasing the proportion of electricity generation by nuclear energy, I think the authorities should "stop" and review anew the relevant projects at this juncture.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, on 11 March, an earthquake of magnitude 9.0 on the Richter Scale occurred off the sea of Miyagi Prefecture, the northeastern coast of Japan. The world is shaken by the disaster. Actually, the earthquake and the tsunami it triggered have inflicted heavy casualties and caused serious damage. As at yesterday, the Japanese Government confirmed that the death toll of this disaster stood at 11 168 people and 16 407 people were still missing. The aforesaid figures increase day after day, for the rubbles in many quake-hit areas have not yet been removed, and victims' bodies cannot be buried.

Now in Japan, 250 000 earthquake victims are still taking refuge in emergency shelters set up in over 1 900 schools and public premises located in Kanto and the northeastern region. Hence, in my amendment, I add the wordings to once again urge this Council to "express its deep condolences to the affected Japanese people." Since the Legislative Council is the legislature of Hong Kong, in this debate on the damage of the earthquake, I consider it appropriate to include wordings to express deep condolences to Japan nationals in my amendment. At the same time, we can give our regards to the victims in Japan on behalf of the people of Hong Kong.

President, the earthquake and the tsunami it triggered have brought serious damage. Worse still, it has caused a severe incident in the Daiichi Nuclear Power Station in Fukushima Japan. Since facilities designed for cooling the

reactors all failed to function due to power failure, the temperature of the reactor could not be brought down, resulting in the leak of radioactive substance and hydrogen explosions, as well as other problems. Last week, there were problems with all reactors, Reactor 1 to 6, in the nuclear power station at one point. Japan is now on the brink of a nuclear disaster.

The latest situation is still worrying. According to Yukiya AMANO, Director General of the International Atomic Energy Agency, the nuclear crisis in Fukushima is still at a critical stage. Yesterday, Naoto KAN, the Prime Minister of Japan, said openly that it might be necessary to abandon the power plant in the future. It is evident that the situation is not optimistic now. Earlier, Japan has raised the severity level of the Fukushima incident from Level 4 to Level 5 on the International Nuclear and Radiological Event Scale (INES). Nonetheless, in view of the existing situation, many overseas experts consider that the incident may have to be escalated to Level 6. That is to say, part of the nuclear leakage has caused contamination outside the power plant, and immediate measures have to be implemented to remedy all kinds of losses.

To date, the Japanese Government still fails to bring the radiation leak under full control. As such, despite locating several thousand kilometres away from Japan, Hong Kong should still remain vigilant and monitor the incident closely. We should prepare for danger in times of peace, for a stitch in time saves nine. At this time when the crisis has not yet been defused, the after-effects of the earthquake and nuclear radiation have already come to the surface.

President, after the nuclear crisis in Fukushima Japan, vegetables, fruits and potable water in Japan have been found containing radioactive substance exceeding the standard. For instance, milk and wasabi plants from Fukushima Prefecture; milk and parsley from Ibaraki Prefecture; as well as vegetables in Tochigi Prefecture, Gunma Prefecture and Chiba Prefecture have been detected containing radiation exceeding the standard. On 24 March, the SAR Government, for the first time, detected that the radiation levels in turnips and spinach imported from Japan have exceeded the standard, the highest being nine times above the normal standard. The Government has immediately prohibited imports of vegetables, fruits and milk from five prefectures in Japan. Despite that, we worry that nuclear radiation in Japan has already contaminated the local food chain. Earlier, water from water treatment centres in a number of

prefectures in Kanto has been found containing radioactive substances, exceeding a level to which infants can be exposed.

In respect of these after-effects, authorities in Hong Kong must implement proper measures to strengthen surveillance and conduct safety tests on a wider range of products other than food, such as beverages, medicines and cosmetics, and so on. As the demands for these products in Hong Kong have been keen, and the raw materials for making these products may have been contaminated, the Government must conduct safety tests on these products. On the one hand, it will set the mind of the public and consumers at ease, and on the other hand, it will offer safety guarantee to traders engaging in the trading of these products, thereby boosting the confidence of the public on the safety of products imported from Japan.

President, due to the major and serious incidents at the Fukushima nuclear power plant triggered by the earthquake, Hong Kong people have expressed greater concern about nuclear power and they are worried about the safety of nuclear power plants in the vicinity of Hong Kong. Actually, I believe many Hong Kong people, particularly the younger generation, may not know that some of our electricity is generated by nuclear energy; also they may not know the exact location of Daya Bay. In fact, the Daya Bay Nuclear Power Station is only about 50 km away from the urban district in Hong Kong. So, in the event of any incident, Hong Kong will be under significant threat.

In the Fukushima nuclear incident, though the Japanese Government has only evacuated residents within 20 km radius of the nuclear power plant, residents living within 20 km to 30 km radius are required to stay indoors to take refuge. An environmental organization, Greenpeace, has recorded a radiation level of up to 10 micro Sieverts per hour 40 km away from Fukushima Daiichi Nuclear Power Plant. It is evident that in the event of any incident in the Daya Bay Nuclear Power Station, the entire territory of Hong Kong may be affected.

However, as pointed out by government officials at a meeting of the Panel on Security some time ago, the Government has never followed the requirement to conduct major incident drills for nuclear power stations once every three years. In the past decade or so, the Government has not provided continuous publicity and education to the public and students. As a result, the general public does not have much knowledge in nuclear power generation, and they have literally

"zero-knowledge" about contingencies for nuclear incidents. Since the SAR Government does not have specific contingency plan for relevant incidents, it makes the public feel insecure.

Hence, I urge the Government to learn from the experience of the Fukushima nuclear power plant incident in Japan to comprehensively review and perfect Hong Kong's contingency plan and arrangement for drills in case of nuclear power incidents, which include enhancing the public's scientific knowledge in responding to radiation contamination, so as to handle various incidents in an efficient and orderly manner. The Administration should also provide post-disaster support, so that the public will have confidence and be well prepared for the situation. At the same time, the authorities should continue educating the public about nuclear energy, which include contingency measures to be adopted during a nuclear incident, so as to avoid fear and panic behaviour of the public whenever there are signs of trouble, as in the incident of "irrational salt-buying spree" that happened some time ago.

President, since Hong Kong is in the vicinity of the Daya Bay Nuclear Power Station, it is necessary for us to obtain timely information about the nuclear power station. However, according to the existing notification system of the Daya Bay Nuclear Power Station, the China Light and Power Company Ltd will disclose the information on non-emergency incidents from Level 0 to Level 2 to the public within two working days. For incidents below Level 0, announcement is made at the discretion of the nuclear power plant, depending on the level of concern of the public. As for other nuclear power plants in Guangdong Province, announcement is only required when incidents reach Level 2 on the INES; as for incidents of Level 0 to Level 1, notification is subject to the requirements of the local regulatory authorities.

Concerning the notification mechanism, is there room for changes and improvement by the authorities? If the SAR Government cannot obtain first-hand information of the situation, the contingency plan to be formulated will be greatly affected. Talking about notification in the first instance, I think the Hong Kong Observatory (HKO) should be severely reprimanded for the three-day delay in announcing the detection result of very minute amount of radionuclide Iodine-131 from air samples last Saturday. The HKO explained later that it took time to review the result. Why should the review take such a long time, can the time be further shortened? Besides, can the technology be further improved?

No matter what, since the HKO has failed to announce the testing result in the first instance, it has neglected the right to access to information of the public (*The buzzer sounded*) and should thus be reprimanded thank you, President.

MR KAM NAI-WAI (in Cantonese): President, I would like to extend again my deepest condolences to the people of Japan. I hope they would hang on because I believe that they still have to face many difficulties after the earthquake and nuclear disaster. In this nuclear disaster, they are not only saving their land but also the whole world; what does this mean? In fact, this nuclear disaster has far-reaching impacts on Hong Kong. Although the Administration has said that there is no cause for alarm, it has taken disappointing contingency actions after the nuclear incident, and the public can hardly have confidence in the Government.

As some Honourable colleagues have just said, there are presently some gatekeepers. Let us review the performance of these gatekeepers in the past. The first gatekeeper is the Daya Bay Nuclear Power Station Safety Advisory Committee. Every time after an incident has occurred, it only becomes alert of the situation upon the inquiry of the media. It does not have foresight and only takes action after something has happened. It only responds upon the inquiry of the media. Hence, it has not played a good role in monitoring nuclear safety for the people of Hong Kong.

The second gatekeeper is the Government. What is its role? As some Honourable colleagues have just stated, according to the specified contingency measures of the Daya Bay Nuclear Power Station, drills should be conducted once every three years. However, the Security Bureau told us that drills had been conducted at the time when the East Asian Games and the World Trade Organization ministerial conference were held. In my view, conducting drills "incidentally" reveals that the Government has no sense of crisis, and we have never heard that drills can be conducted "incidentally".

The third gatekeeper is the Hong Kong Observatory (HKO). As some Honourable colleagues have just remarked, after the nuclear incident in Fukushima, the HKO told the public in the first instance that the nuclear radioactive materials would not be drifted to Hong Kong by air, and they should not be worried. However, when radioactive materials have already been drifted

to Hong Kong, the information was only released four days later. How can the HKO serve as our gatekeeper? As these gate-keeping bodies have neglected their duties, it is impossible for us to trust them and the Government. Is it true that Hong Kong people can only fend for their own well-being?

Nevertheless, the Government has told us that it has plans to substantially increase the use of nuclear power. This proposal is made in the public consultation document on Hong Kong's Climate Change Strategy and Action Agenda; but before the conclusion of the consultation, the Government has already proposed in the Policy Address that by 2020, nuclear energy should account for about 50% of our fuel mix for power generation. After the Government has made the decision, it still argued speciously that the proposal has not yet been implemented. Will it not implement a proposal what has been stated in the Policy Address in black and white? What data has the Government provided to make Hong Kong people accept that it is necessary to increase the use of nuclear power?

The exposition and data analysis about nuclear power in the aforesaid consultation document are mostly lacking in substantial content and crudely presently. Why do I say so? Regarding the consultancy report on climate change strategy, the World Wide Fund for Nature (WWF) has stated in a paper that if the most aggressive emission reduction program (scenario 3) is adopted, our final energy demand from 2005 to 2020 will increase by 36%; the rate of increase is the highest among the emission reduction measures of various countries. As a result, as the reduction rate of emission get higher, more energy will be consumed. The WWF concluded that this does not meet the global trend for Hong Kong to encourage emission reduction through energy consumption, and this will make Hong Kong the subject of an international joke. Why have we adopted this approach of having more energy consumption with higher emission reductions?

We do not know why the Government wants to hide these figures and not announce them to the public. Therefore, the Democratic Party is very worried when the Government announces that it is essential for nuclear energy to account for about 50% of our energy mix. After the Fukushima incident, should the Government adopt the strategy of walking on two legs as we have discussed before? On the one hand, it should implement more effective and feasible measures for energy demand management, so as to reduce the demand for energy;

and on the other hand, it should improve the existing power generation fuel mix in regard to energy supply management. We certainly hope that clean and low-emission energy can be used more often. It is also essential for the Government to consider the development of renewable energy as many Honourable colleagues have mentioned.

For this reason, the Democratic Party has particularly proposed in the amendment that the Government should shelve the plan of increasing the use of nuclear energy. Many Honourable colleagues have mentioned that the Central Government has suspended vetting and approving new nuclear power projects, why can the Government not shelve the plan as we have said, and reflect on the way forward carefully? I find that a pro-government Member has proposed an amendment to change "shelving" into "reviewing"; what does the Government think of that? Must we use nuclear energy? Let me tell Honourable colleagues, if the future proportion of nuclear energy in our fuel mix for power generation is increased to 50% as the Government has proposed, then according to the estimates of Greenpeace, 25 billion kilowatts of nuclear power will have to be imported if nuclear power is still used in 2020. The power supply facilities required will include three to four large-scale nuclear reactors, which will produce 700 000 tonnes of solid nuclear waste and 700 000 tonnes of liquid nuclear waste each year. We all know that it is extremely difficult to dispose nuclear waste.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

The Government should respond to the proposal of Greenpeace. We very often quote the opinions of Greenpeace because it has conducted studies in various parts of the world on anti-nuclear issues. They advocate "Four Nots". The first "Not" is that Hong Kong does not need an increase in nuclear power. On the basis of the actual data, our power demand will approximately be 49 billion kilowatts by 2020 at most, and it will absolutely not be 64.5 billion kilowatts as the Government has stated in the consultancy report. The Government's estimation has exceeded the actual figures by more than 30%. Do we really need to consume so much more electricity?

The second "Not" is that nuclear power is not safe, according to Greenpeace. The Fukushima incident is a good illustration. Although experts have claimed that the design of the Daya Bay Nuclear Power Station is better than the Fukushima Daiichi Nuclear Power Plant, and it is constructed in a later period, with newer and safer facilities and there will not be any problems even if a 747 passenger plane were to crash into it, as many Honourable colleagues have just said, the problem is not on the passenger plane but it is related to man-made mistakes and natural disasters. As the saying goes, "Man proposes, God disposes", is our computation absolutely accurate? Hence, nuclear power is basically unsafe.

The third "Not" is that nuclear power does not have sustainable development. Based on the information from Greenpeace, the studies on nuclear power industry reveal that uranium, an element used in nuclear power generation will be used up within this century. Indeed, it is doubtful if nuclear energy is a sustainable method of power generation.

The fourth "Not" is that nuclear power is not cheap. According to the information on Guangdong Province in 2009, the cost of wind power generation is just \$0.8 per kilowatt. It is also stated in a study conducted by the European Renewable Energy Council that, when wind power generation technology has been widely adopted, it is likely that the prices will be reduced by 34% to 47%. I hope that the Government would respond to the "Four Nots" specified by Greenpeace, an environmental group.

At present, the proportion of imported nuclear power in our fuel mix for power generation is 23%; can we completely abandon nuclear power in the long run? I believe this is just a utopia. In the long run, we should consider if we need to conduct a review and develop towards this goal so that China and even the whole world would completely abandon nuclear power, and that emission reduction and energy saving will become our targets. This may be a dream but people should always embrace their dreams. We should not use the most convenient energy for the sake of temporary convenience. For the benefit of our next generation, I hope that the Government and the public can make long-term plans to stop the use of nuclear power.

Deputy President, I so submit.

MR JAMES TO (in Cantonese): Deputy President, I believe that 11 March this year would be an unforgettable day in my life. It was my birthday and I was watching reports about earthquake, tsunami and nuclear incident in Japan throughout that day. I originally planned to visit my friend in Japan in April but I could not contact him in the past few weeks.

Deputy President, let us think for a moment, if an incident occurs here in Hong Kong, how should we respond? Deputy President, concerning the current incident in Japan, although Japan is so far away from Hong Kong, we should consider if it is necessary to enhance the testing of goods or food products; some people have even mentioned the testing of cosmetics and other commodities. I believe that we can play our gatekeeper's role in this connection for the time being. Although we know that we have the capability, can we actually conduct comprehensive inspections? I doubt that.

I have asked the Secretary for Security whether he can provide the relevant information but he has not provided any information so far. As to the flow of people, an Honourable colleague has asked if compulsory tests should be conducted. The Government has said that, according to the standards of the World Health Organization (WHO), unless the situation in Hong Kong is much more serious than that in other places, or there is very strong scientific evidence to prove that there are significant impacts, we may not conduct compulsory tests which are in contravention of the agreement with the WHO. Nevertheless, we have recently noticed that in the Mainland and other places, less intrusive preliminary tests have been taken, with a certain degree of sensitivity and reliability. If it is permissible by the situation, we may as well conduct preliminary tests, and I believe that these low-intrusive tests should meet the requirements of the WHO. If the results of the preliminary tests indicate that there are grounds for conducting detailed inspections, I believe that the people concerned would be willing to do so.

Deputy President, the second task for us is to review the safety standards of the Daya Bay Nuclear Power Station. This is not only a problem affecting Hong Kong, as Daya Bay is located on the Mainland; it is also related to the national standards. It is impossible for us to have unique nuclear safety standards for nuclear power plants in Daya Bay or Lingao, while disregarding the national safety standards. Nonetheless, I would like to tell the SAR Government and even the Central Government that Hong Kong is actually a rather unique place for

we have no way of escape. If there is an explosion at a nuclear power plant on the Mainland, other people (our compatriots) can possibly be evacuated to places in the north, south, east and west. However, there is way for people of Hong Kong to escape southward. Some people say jokingly that we may go westward because there is the Western Corridor. Can a large-scale evacuation plan be devised? I really doubt if that is feasible. The problem will become even more serious because Hong Kong is densely populated. Thus, while the Central Government is considering the national standards, I hope that it can also take into account the unique geographical factors of Hong Kong, and in particular examine if the standards for the nuclear power plants located in Daya Bay and other places near Hong Kong can be enhanced.

Third, we must be vigilant in times of peace and put in place contingency measures. Deputy President, it has been 10 years since the large-scale contingency drill at Daya Bay was conducted in 2001. I find this very odd and we have asked the Secretary for Security why there no other drills have been held within the past 10 years. I will not blame the Secretary for Security if he has just assumed office a few years ago, but Secretary Ambrose LEE has been in office for many years and he has assumed office since the former Secretary for Security, Mrs Regina IP, had left her office. Thus, he must bear the blame. According to his explanation, the Government was rather busy in 2003 and 2004; however, can being busy be used as an excuse? The Secretary said that drills had been conducted against nuclear, biochemical and chemical leakage incidents before the 2005 World Trade Organization conference, the 2008 Olympic Games equestrian events and the East Asian Games, though these drills were smaller in scale.

Deputy President, that is a lie. The nuclear safety drills before the Olympic Games equestrian events and the World Trade Organization conference were much smaller in scale than the one held in 2001. In 2001, a few thousand people and dozens of departments participated in the large-scale drill, but our nuclear safety drills in 2005, 2008 or before the East Asian Games were much smaller in scale. We should never pass off something sham as genuine for we would then be cheating the public. According to the Secretary, the Government had failed to do one thing, that is, it failed to evacuate the residents of Tung Ping Chau 20 km away from Daya Bay; as there are only two residents there, only two persons have been excluded.

Deputy President, this is utterly a lie. As I have just remarked, the Government has clearly taken the drills conducted for other purposes as comprehensive drills in case of nuclear incidents, with a view to covering up its responsibilities for negligence.

Deputy President, according to the Government's standards, drills should be conducted once every three to four years. Why? It is because the departments must have a collective memory of large-scale drills. If there is an interval of 10 years, the middle-level officers responsible for giving directions may have already retired. Some staff members of certain departments have even told me, "Mr TO, the equipment and emergency supplies have been placed in a room for 10 years, and other commodities have been placed on top of them, so we do not know where we can find these equipment and supplies if we really want to conduct a drill now." The relevant plan requires large-scale updating.

Deputy President, when I requested for a review of this plan in 2001, the officials from the Security Bureau told me that it was "inconvenient". I know that I was not the only one they had rejected; even members and Chairman of the Daya Bay Advisory Committee had never been invited to inspect the large-scale drill. The experience and lessons learnt from the drill were not made public in 2001. I believe that at that time, they might think that if more drills were conducted, the public would be more anxious and worried. Hence, it was better not to conduct any drills, and not to allow the public to see some people wearing protective clothing, so that they would not make wild guesses. Nonetheless, when we realize, after the Fukushima crisis, that the Government has not conducted any drills during the past 10 years, we are more worried.

Deputy President, if the Security Bureau fails to ensure security and if the Secretary for Security fails to take into consideration the most important, the most dangerous and the only large-scale incident in Hong Kong — even if he has often said that he has this issue in mind and I believe that he will still have this issue in mind after he has retired — it serves no purpose for him to continue to assume the post as the Secretary for Security if he cannot ensure security.

Deputy President, the notification mechanism for nuclear power incidents requires an announcement to be made within 48 hours after an incident has been confirmed. This confirmation requirement is notable. Can a confirmation procedure be formulated during a comprehensive review of the mechanism? We

are indeed worried. For instance, the Hong Kong Observatory said two days ago that it would only inform the public after confirmation has been made. Will this boost the confidence of the public, or will the public lose confidence (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR JEFFREY LAM (in Cantonese): Deputy President, an earthquake of magnitude 9.0 on the Richter Scale and the resultant tsunami and nuclear radiation leakage crisis have razed to rubble many towns in Japan; we see a scene of devastation everywhere, and it has so far caused at least over 10 000 deaths, and there are hundreds of thousands of displaced people, suffering from hunger. In the face of this disaster, I cannot help feeling that life is very fragile and human strength is insignificant before the power of nature.

I would like to extend my deepest condolences to the deceased victims and I hope that the deceased would rest in peace and the living would be strong enough to face the future. On the long road of reconstruction ahead, I believe that we would do our best and continue to lend a helping hand to victims in Japan and help them start a new life.

Deputy President, my amendment today to Mr Frederick FUNG's amendment asks the Government to review its proposal on increasing the proportion of imported nuclear power in the fuel mix for power generation to about 50% because the nuclear power crisis this time sets off an alarm in connection with the global nuclear energy development and safety issues. The Fukushima Daiichi Nuclear Power Plant is still not under control so far, and all the six reactors have problems. The radioactive iodine content in sea water near the nuclear power plant is 1 000 times above the normal limit. The No. 3 reactor poses the biggest problem. Since it uses nuclear fuel containing large amounts of plutonium, it causes great harm to the public. For example, the harmful effects caused by a crack in the containment vessel are inestimable. Have Tokyo Electric Power and the Japanese Government concealed the facts of the accident? We are not sure and I do not want to make unnecessary speculation. Yet, some international nuclear power experts have accused the Japanese Government of playing down the incident.

As a matter of fact, the global panic caused by this nuclear disaster is really worrying, and Hong Kong people's anxieties are definitely not unwarranted. Recently, it has been recorded that fruits, vegetables and seafood exported from Japan have excessive amounts of radiation. Hong Kong is just 50 km away from the Daya Bay Nuclear Power Station, and there is a Lingao Nuclear Power Station in Guangdong Province within a range of about 200 km away from Hong Kong. Besides, six nuclear power plants near the Pearl River Delta Region with a total of 22 reactors will be commissioned in the future. If incidents of varying scale occur in Daya Bay, we would be seriously affected as we have no way to hide or escape. Is this not worrying? This nuclear disaster has forced us to review if the current direction of our nuclear power policy is correct, and whether there are sufficient safety mechanisms and contingency measures.

In fact, the Central Government has become aware of the problems and has decided to suspend vetting and approving new nuclear power projects, conduct a comprehensive inspection of all nuclear power projects which are being constructed, and strengthen the safety and operational management of nuclear power plants which are in operation. What can we do in Hong Kong? First, the Government should review the current contingency plans. The authorities concerned have repeatedly emphasized that the Daya Bay Nuclear Power Station can withstand a 6.5 m-high tsunami. But, in case of a worst-case scenario, how can the transparency of the notification mechanism be enhanced? What support can the Government provide? How can Hong Kong people respond? Will tsunami drills be conducted? It has been 10 years since Hong Kong had conducted the last large-scale drill in case of nuclear power incidents. Can these drills be conducted more frequently? Although the Government intends to conduct a drill next year, can it be conducted earlier and will the public be allowed to participate and learn how to respond? Can the relevant education be strengthened? Furthermore, an independent monitoring mechanism should be established between Hong Kong and the authorities concerned on the Mainland, to invite the participation of experts in Hong Kong and report regularly to the public.

In addition, the Government should review the proposal on increasing the future proportion of nuclear energy in our fuel mix for power generation from 23% to 50% in 2020. I understand that the Government wants to reduce air pollution and carbon dioxide emissions resulting from coal power generation. However, as the Government currently does not have a comprehensive plan for

monitoring the safety of nuclear power plants, and it has not informed the public of the location, project costs and costs arising from nuclear power plants, the public will have doubts and they will be worried about the use of nuclear power. Can the method of handling nuclear waste by burying it underground completely resolve radioactive contamination?

Deputy President, emission reductions should be achieved through multi-pronged methods, which include saving energy at source, and proactively developing renewable energy such as co-operating with Guangdong Province in the development of wind power generation. I hope that the Government would further consider and review its policy on the fuel mix for power generation in order to work out the safest and most effective proposal.

Deputy President, I so submit.

PROF PATRICK LAU (in Cantonese): Deputy President, first of all, the Legislative Council in Hong Kong has the responsibility to request the SAR Government to effectively reflect to the Central Government our concerns about the impacts of the earthquake in Japan on Hong Kong, especially about nuclear power generation. We should immediately conduct a comprehensive review so as to halt the nuclear power projects and shut down the nuclear power plants which are now in operation.

We all know that one fourth of our electricity is generated by nuclear power. If we want to immediately stop the use of nuclear power, we must gradually develop other energy in order to meet our demand for electricity. I think the Government should take advantage of this opportunity to strongly advocate the use of renewable energy; it should make better use of our enormous reserve to allocate additional resources for investing in renewable energy technology researches, with a view to making better planning for the sustainable development of power supply. Certainly, the Government should review the proposal in the Policy Address on increasing the future proportion of imported nuclear energy in our fuel mix for power generation to 50% in 2020. We should also increase the proportion of renewable energy in our fuel mix. In that case, we should immediately step up co-operation with Mainland and international research institutions in the development of various kinds of safe and environmentally-friendly natural energy. Studies on the practical application are most essential, including studies on solar, wind, water and geothermal energy,

ocean energy, bioenergy, or even turning waste into energy, and so on. In importing renewable energy, it is most crucial that we can immediately reduce the percentage of use of coal and nuclear power generation.

Deputy President, Premier WEN Jiabao has stressed that safety is the top priority in respect of nuclear power development in China, and the State Council has decided to suspend vetting and approving new nuclear power projects and immediately conduct comprehensive safety inspections on the nuclear facilities in China.

Four points have been made at the State Council meeting. First, a comprehensive safety inspection of the nuclear facilities in China should be immediately conducted and measures be adopted to ensure their absolute safety; second, the safety management of nuclear facilities in operation should be practically enhanced; third, all nuclear power plants which are being constructed should be inspected and safety assessment should be carried out based on the most advanced standards; the construction works of plants which do not meet the safety standard should be stopped immediately; and fourth, new nuclear power projects should be stringently vetted and approved, and the medium- and long-term plans for nuclear power development should be improved; the vetting and approving of all nuclear power projects, including projects for which preliminary work has been carried out, should be suspended before the approval of safety plans.

These four points have been reflected in the wordings of my amendment.

I would like to emphasize that the Central Government are aware of the problems, thus I propose this amendment, hoping that Honourable colleagues would agree that the SAR Government should reflect to the Central Government that Hong Kong people are similarly concerned about nuclear power safety.

Apart from planning the development of power energy, I think it is more important to save energy. Therefore, the sustainable development of urban design and green building is important. Since 90% of our energy consumption originates from buildings, I am happy to note that the Buildings Energy Efficiency Ordinance has been passed by this Council, which enables us to take a step forward in reducing energy consumption.

I hope that the assessments on energy efficiency of buildings would encourage people to develop the habit of energy-saving and in turn, reduce excessive consumption of resources, so that we can have natural resources ready for sustainable use by the next generation. In the course of town planning, the Government should also consider whether it should follow the example of Shenzhen in constructing places of refuge and devise evacuation methods in case of nuclear incidents, as well as consider how evacuation can be arranged in crowded places.

Furthermore, we should strengthen education for the public on the problem of nuclear safety in a scientific, rational and transparent manner, and enhance people's understanding of ways to monitor the safe operation of nuclear power plants. The most important point is how the public should respond in the event of nuclear power incidents. I believe that if the public can be access to open and clear information, they will not panic and situations of "irrational salt-buying spree" will not occur.

Thank you, Deputy President.

MR ABRAHAM SHEK: Deputy President, I must confess that unlike my colleagues, I know nothing about nuclear power nor nuclear energy. I speak as a common man on the usage of nuclear power, and that I believe that whoever gives us this nuclear power, particularly the Government, I have faith in them. And most of all, I have faith in God that this will be a better place whether we use nuclear power or we use any other power.

I first shall express my prayers and condolences to the victims and their families in Japan's earthquake disaster.

Altruistic as it seems, humans are always vulnerable in the face of the brutality of nature. Unleashed by the unprecedented earthquake of magnitude 9.0 occurred in Japan, followed by gigantic tsunami barrelling into the Japanese coast and followed by the possible nuclear fallout, countless lives were lost, and families were forever shattered. Maybe time comes too late to heal the wounds felt by millions of grief-stricken souls. Time is never too late, while the impact of the radiation leaks remains to be fully unravelled, to rediscover the role of nuclear electricity in future lest the many "what-ifs" remorsefully muttered would

not have been a catchphrase painfully felt by other millions in future. Here I shall mainly illustrate how nuclear power, stupid as I may be on this subject, should pragmatically be developed as a careful balance between the safety and the sustainability of quality of lives would be struck.

Deputy President, it may be given the impression that there are not without swings and turnabouts of the use of nuclear power. Termed more correctly, it is more like a double-edged sword: it may cure if used wisely; it may kill however with our recklessness. Instead of reiterating the old rhetoric of abolishing its use in all contexts, which ironically neglects our environmental reality, it would be more sensible to view it indiscriminately with its upbeat potential that may better our daily lives. Although nuclear power is not the magic bullet for all of our environmental ills, the logics of refuting its contribution because of the slight trait of its potential peril go beyond our rationality.

Geographically, the most nearby nuclear plant — the Daya Bay Nuclear Power Station situated at the faultless zone about 50 km north-east of Hong Kong city centre is managed with stringent regulation on par with the International Atomic Energy Agency (IAEA)'s nuclear safety standard. It is reassuring that there will be little likelihood, unlike those reactors in Fukushima, that the power plant in Daya Bay will fall prey to violent plate movements posing any imminent alert to our general public. In addition, compared to the failing nuclear reactors in Fukushima, there are multiple protective systems in the Daya Bay Nuclear Power Station to prevent the release of radioactive material from the core. This is what we were told to believe, and I do believe them. Technically speaking, as long as safety reviews on the power plants have been regularly conducted, there is little reason for shelving any nuclear power projects just with worries over the safety at the drop of a hat.

Moreover, after the radioactive threat caused by the failing reactors in Fukushima, as my colleague Prof LAU just mentioned, Premier WEN Jiabao made a swift decision to suspend approvals for new nuclear plants pending the completion of overarching nuclear safety strategies and to launch a comprehensive safety review of all existing facilities and those under construction. The first-among-all-equal response by Premier WEN in addressing the global concern of nuclear safety should be credited as such pragmatic attitude would ensure safety of the plants without compromising the energy needs to our development. On the contrary, the rather knee-jerk response

by some of our Members here to immediately shelve the current and construction of nuclear projects is little different from seeing forests from the trees, not only failing to observe the bigger picture of our energy needs, but also turning a blind eye to the subtle context of our fuel mix for electricity generation.

Now that Hong Kong is scarce in resources, it has long relied on the import of energy as fuel for local electricity generation. At present, coal (around 54%), natural gas (about 23%) and nuclear electricity imported from the Mainland (the other 23%) constitute the total fuel mix electricity generation. Given the local coal-fired power plants' retirement in phases by 2020, and the increasing cost in importing natural gas, it is inevitable that there will be a growing proportional ratio of nuclear electricity of the total fuel mix for electricity generation in future. As mentioned, given no lines of contradiction between ensuring public safety of the potential nuclear risk and facilitating reliable and efficient energy supplies at reasonable prices, the Honourable KAM Nai-wai's proposed amendment in shelving the plan of increasing the nuclear power use as a means to allay people's worries about the safety of nuclear power does not stand logically. Nevertheless, it is necessary to timely review the plan of increasing the use of nuclear safety. It is only with updated and transparent public information that our public concern of the nuclear power use could be put at ease.*(The buzzer sounded)*

DEPUTY PRESIDENT: Your speaking time is up.

MR ABRAHAM SHEK: Thank you.

MR LAU KONG-WAH (in Cantonese): Deputy President, the people of Hong Kong have been observing the situation in Japan every day in the past half a month. We are astonished, sad and worried. The incident, from the earthquake to the tsunami and the resultant nuclear threat, has caused every one of us to engage in a self-reflection. Owing to the nuclear crisis in Japan, some anti-nuclear political parties in Germany have a sweeping victory in an election, and many governments start to rethink about their nuclear power management and nuclear crisis awareness.

At the wake of the earthquake and tsunami, Mr TAM Yiu-chung and I organized a signature campaign to send our condolences to the victims in Japan. I still remembered the words of encouragement written by some citizens, in particular the following words, "In facing Mother Nature, we can do nothing; but in facing the Japanese victims, we can send our blessings." Hence, we would like to extend our wish to the Japanese victims that they can soon straddle over this difficult time and rebuild their homes.

When we reflect on nuclear power, we would certainly think of the Daya Bay Nuclear Power Station which is so near to us. The construction of the power station was not without troubles. Fortunately, no serious accidents have happened in the past 20 years, but this does not mean that we can rest assured that no accident will happen. It has been said by some experts that the Daya Bay Nuclear Power Station is a relatively modern facility, newer than the one in Japan, but nuclear power plants constructed nowadays are newer than the Daya Bay Nuclear Power Station. I thus hold that the Government and the relevant authorities in the Mainland should conduct a comprehensive review on how to enhance the management and reporting mechanism of the Daya Bay Nuclear Power Station.

What is the appropriate share of nuclear electricity in the fuel mix for electricity generation? Some Members today have proposed the immediate shelving or suspension of nuclear electricity. Is it not too quick to jump to this conclusion? Deputy President, I think it is appropriate and necessary to comprehensively review the proportion of nuclear electricity. The proposal is backed by expert evidence and public support. The aspiration for an energy which is environmentally friendly, low in cost and at the same time 100% safe is normal, but it is also a difficult challenge to meet. I thus hope that the Secretary can expeditiously review this proportion, so that the entire community can get involved and voice their views on what they want in future. If a fire breaks out in the building adjacent to your home, it certainly does not mean that you should never use fire again; instead you should use fire cautiously. This is a more appropriate approach.

As regards the dissemination of information, we can see that at the wake of the incident, the Japanese Government was really at its wit's end. Its reaction was slow and the actions taken were inappropriate, trying to cover things up. Drawing on this incident, I realize that any government, in handling a nuclear

crisis, must act quickly and decisively, it must also disseminate as much information as possible. I hope the SAR Government can take note of this point when it disseminates information in the future.

As regards my amendment to Mr James TO's amendment, I think it is too strong to use the word "condemn". Furthermore, I beg to differ with his remark just now that the Secretary has cheated the people. As a matter of fact, in this Council, all Members are but students in front of the experts, and many experts are but students in front of Mother Nature. Hence, sometimes, some known facts and unknown facts co-exist. If there are areas that have not been properly handled, I think improvement can be made, and the situation can be immediately improved. We are now facing a common problem, a disaster and a crisis, and right now, we still have to face the situation. Should comrades in the same entrenchment unduly criticize or blame each other? I do not think so. Contrarily, in the past half a month, we can see that every member of the Government has been working very hard to take forward the work of surveillance and prevention. I would rather give them words of encouragement and suggestions than accusations.

Deputy President, if the "irrational salt-buying spree" is a frenzy stemmed from ignorance, some Members have turned the disaster into an opportunity to trample on others. I think this is another kind of frenzy. I thus cannot support Mr James TO's amendment and I will support Mr WONG Ting-kwong's original motion.

Thank you, Deputy President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I will listen to Members' speeches first before making a detailed response.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President and Honourable Members, first of all, I would like to thank Mr WONG Ting-kwong for moving the motion on "Concern about the impact of the earthquake in Japan on Hong Kong". I would also like to thank other Honourable Members for taking part in the discussion by making amendments.

On 11 this month, Honshu of Japan was hit by an earthquake of magnitude 9.0 on the Richter Scale and the ensuing tsunami. As expressed by many Honourable Members, this incident has not only shaken the whole of Japan, but has also brought immeasurable sufferings to its people. When witnessing the scenes of tranquil villages being ruined and engulfed by the earthquake and tsunami, we of course felt saddened and heartbroken. Although Hong Kong is thousands of miles away, I think many people of Hong Kong share the pain brought by this spate of natural disasters. Naturally, we also have worries about our own safety.

I would summarize these worries into three aspects. First, although Japan is 3 000 km away from Hong Kong, the people are still worried whether radiation from the nuclear plant in Fukushima will affect our health through transmission in the atmosphere, food chain or incoming travellers and freight. This is a natural and instinctive reaction. The second aspect is that subsequent to the radiation leaks at Fukushima, some people may worry about the safety of nuclear facilities in our neighbourhood that supply electricity to Hong Kong, such as the Daya Bay Nuclear Power Station. Is there any danger of a recurrence of the Fukushima nuclear incident? This is quite understandable. Arising from such concern and coupled with the fact that we have just completed a public consultation on climate changes at the end of last year with the suggestion of increasing the share of nuclear power in the fuel mix for power generation in Hong Kong for the next decade, some members of the public have expressed the view that a final decision on the matter should only be made after careful review. I think this is a reasonable request and I trust today's discussion will also concentrate on these aspects.

Regarding worries in the first respect, for the whole society and the Government, from what I have heard from Honourable Members, we must put in place timely contingency measures and enhance monitoring so as to alleviate public concern. As some Honourable Members have mentioned in their speeches, various government departments have, for the past few weeks, maintained around-the-clock surveillance on air quality, food, potable water, medicine, and so on. Lately, there are also checks on cosmetics as well as incoming travellers and freight. Every day, the Security Bureau co-ordinates the departments concerned in respect of food safety, environmental surveillance, immigration matters, freight inspections, and so on. We hope that we can ensure proper surveillance on the one hand, and on the other hand, provide the latest

information to the public so as to safeguard the health of the people and ease their mind. The departments concerned will continue to closely monitor the development of the incident and release information to the public from time to time after collating the views provided by local academics and experts. They will also analyse the worries expressed by the public. For instance, at 3.46 pm today, the Director of Hong Kong Observatory (HKO) has personally provided a detailed explanation in response to public concern in the past few days. The HKO has, apart from regular monitoring, taken additional measurements on certain trace radioactive substances on a daily basis. Moreover, the issue on reporting time which is a concern of the public has also been explained clearly. In addition, colleagues of the Department of Health have explained the health risks of radionuclides such as plutonium. The Government has also undertaken that, for matters of public concerns or matters which may cause unnecessary doubts, the existing practice will be adopted to provide explanation to the public in the first instance.

In respect of contingency measures, the Government has provided detailed accounts to the public on the relevant aspects of work in the past few weeks, and I will not repeat. Just now, many Honourable Members have talked about the use of nuclear energy and whether it is now the right time to decide the fuel mix for power generation in future, such as whether more nuclear energy should be imported into Hong Kong. Before going further, allow me to give some explanation here to facilitate the discussion later.

At present, nuclear power as an energy source provides about 14% of the world's electricity. All over the world, more than 440 nuclear power reactors are in operation in over 30 countries. Of these, 13 nuclear power reactors are in operation in the Mainland. In the 1980s, Hong Kong invested in the Daya Bay Nuclear Power Station project. Commissioned in 1994, the power station supplies about 23% of the total electricity of Hong Kong. In other words, about 30% of the electricity consumption by households in Kowloon and the New Territories is supplied by the Daya Bay Nuclear Power Station. Hence, I think nuclear power has already become a source of energy in our society today. In recent years, given the limited supply of fossil fuels on earth and the growing concern about worsening climate changes, there have been discussions in both the international and local communities about low-carbon energy development. Different places have plans to hasten the development of nuclear energy, and some developed countries have adopted nuclear energy as their major source of

electricity production. Of course, irrespective of the percentage or place of nuclear power utilization, I think we all agree that nuclear safety is a cardinal principle which should always come first without any compromise.

Last year, we published a public consultation document entitled "Hong Kong's Climate Change Strategy and Action Agenda" which highlighted our aim of reducing carbon emissions. It is our objective to gradually reduce the percentage of coal in the fuel mix for electricity generation (which currently stands at about 54%) as coal is a fuel component creating more pollution and higher emissions. This is the most important and fundamental direction in achieving an overall low-emission fuel mix. While reducing coal-fire electricity production, we agree with the stance maintained by Honourable Members that electricity consumption of the entire society and the people of Hong Kong should be reduced and energy efficiency enhanced. However, we must realize that there is an actual demand for electricity in our society as it is vital to maintaining the operation of our financial, servicing, commercial, medical and transportation systems, as well as the leisure activities and normal livelihood of every citizen. It is incumbent upon the Government to ensure that the daily lives of the people will not be affected by insufficient supply of electricity. Hence, the greatest challenge is how to reduce coal-fire electricity production and fill the gap. This is an issue which we must face up to and contemplate early. All along, we have stressed four important principles for our fuel mix, namely safety, reliability, environmental-friendliness and cost-effectiveness. As I have mentioned before, our primary consideration is safety. In terms of reliability, this is something which a modernized society must achieve. We also hope that our future fuel mix will be low-carbon, environmentally-friendly and acceptable to the public in terms of cost.

In contemplating the fuel mix, we have examined issues such as the potential of Hong Kong and our neighbours in developing renewable energy at the present stage and the reliability of supply. However, due to current limitations in terms of technology and energy efficiency, it may be difficult for renewable energy to become a major energy source. Notwithstanding, we consider that we must continue to study and explore in this direction.

In our proposal, we have put forth an objective which also serves as an indicator on the effectiveness of the future fuel mix. We hope that by 2020, the carbon intensity of Hong Kong will be reduced by 50% to 60%. In other words,

actual carbon emissions will be reduced from 42 million tonnes in 2005 to 28 million to 34 million tonnes in 2020, representing an actual reduction of some 19% to 33%.

The Fukushima incident has happened at a time when we contemplate our long-term policy on emissions reduction. This could have given us the space and time to review again our situation. Since the incident, we have been monitoring the development of events in Fukushima, carefully analysing each stage of development of the incident, and taking actions in multiple fronts.

First, I think members of the public are most concerned about ensuring the safety of the nuclear power plant in operation in Daya Bay. We have to make it clear to the public that there are fundamental differences in the design of the Fukushima nuclear power plant and the Daya Bay Nuclear Power Station because it is the public's primary concern as to whether the Fukushima incident will repeat in Daya Bay. In terms of safety design, the Daya Bay Nuclear Power Station adopts the pressurized water reactor design, which is unlike the boiling water reactor design adopted for the Fukushima nuclear power plant. Moreover, there is a 20-year gap between the two nuclear power plants in terms of their commissioning and technologies. More importantly, reactor cooling water of Daya Bay is separated into two independent circuits, namely the primary and secondary loops. The steam generated in the secondary loop is non-radioactive. Hence, even if steam is vented out, it will not result in any radiation leakage. For the Fukushima nuclear power plant, cooling water is not separated into two independent circuits as I have just mentioned.

Since the Fukushima incident, the SAR Government has immediately requested the Hong Kong Nuclear Investment Company Limited to undertake additional safety checks on the Daya Bay Nuclear Power Station and conduct a series of tests on the safety parameters so as to ensure the normal operation of the power plant. Regarding the problem of flooding caused as a result of tsunami, many experts are of the view that in site selection for the Daya Bay Nuclear Power Station, consideration had already been given to factors such as seismic activities and tsunami in strict adherence to international standards. Moreover, the final site was chosen after vetting by the National Nuclear Safety Administration. I will not repeat anything further because I recall that on one Saturday, the Legislative Council has held a meeting to receive views from experts in this regard.

In terms of contingency measures, the governments of Hong Kong and Guangdong have established a co-operation agreement on the contingency notification mechanism for the Daya Bay Nuclear Power Station and the Lingao Nuclear Power Station. Apart from the contingency notification mechanism, the Hong Kong Observatory has set up 10 radiation monitoring stations within the territory for recording ambient gamma radiation levels. In the meantime, for the purpose of further enhancing the transparency of the operation of the Daya Bay Nuclear Power Station, the SAR Government has taken on board various views including those expressed by this Council and sought enhancements to the information disclosure mechanism. Recently, in view of public concern about the disclosure of nuclear power incidents, we have held discussions with the National Nuclear Safety Administration and the Daya Bay Nuclear Power Station. Agreement has been reached to enhance information disclosure to the public. Apart from timely disclosing incidents and events in accordance with the requirements of the International Atomic Energy Agency (IAEA), the relevant enterprises will also disclose to the public events not involving any release of radioactive materials within two working days. We have already briefed the Legislative Council Panel on Security on this related development.

I am aware that some members of the public and Honourable Members are still gravely worried about nuclear safety. Some people have demanded that it may be necessary for Hong Kong to stop using nuclear power immediately. As we see it, given the overriding importance of ensuring the safe operation of the Daya Bay Nuclear Power Station, and particularly under the premise of preventing similar events as the Fukushima incident from ever happening in Daya Bay, it is not a preferred course to stop importing electricity from Daya Bay abruptly. As I have mentioned earlier, electricity supplied by Daya Bay currently accounts for about 30% of the electricity consumption in Kowloon and the New Territories. If we stop importing electricity from Daya Bay, it will impose serious impacts on the operation of various social and economic areas in Hong Kong.

Nonetheless, I believe the majority of Honourable Members and the people will agree that we must review the impact of the Fukushima incident on the application and development of nuclear energy, and adopt the most stringent safety standards and requirements as far as possible. Moreover, while the Mainland and the international society are reviewing the development of nuclear energy, we must also review our fuel mix proposal. Separately, many experts and researchers on energy policies have stated that the Fukushima incident will

have far-reaching consequences on the development of nuclear energy globally, particularly in terms of safety and risk response. It will be just like the Three Mile Island incident of the United States which has grave impact on nuclear technologies.

We must reiterate that safety is one of the four factors we must consider for our future fuel mix, and in fact, it is the most important consideration. After the Fukushima incident, many nuclear power countries around the world, including Germany and our country, have announced, one after another, that they are going to review their existing nuclear power plans out of safety reasons.

Hong Kong as a user of nuclear power must critically review the direction of our future use of nuclear power. China has just initiated a review on the safety of its nuclear power plants. It has also joint hands with the IAEA to examine whether certain safety standards should be revamped. This is an important factor we will consider when contemplating the future development of our fuel mix.

Deputy President, in the past few weeks, the Government has consulted various nuclear power experts when monitoring the development of events in Fukushima. Just like other governments of the international community, we have strived to get the latest information about the development of the Fukushima incident hoping that we can identify the causes and understand the situation. At present, the causes and development of the Fukushima incident have yet to unfold completely. Hence, we should never hastily make a decision to implement the plan of increasing the import of nuclear energy. I believe we have already heard the views of the people in this regard. Likewise, we should not hastily reject nuclear power categorically when there are still uncertainties or the incident is still developing. Hence, the Government undertakes that when deciding the future fuel mix, we will certainly put safety as the primary consideration. We will work with a scientific and rational attitude while learning from the lessons of the Fukushima incident so that the matter is given comprehensive and prudent consideration.

Deputy President, I so submit. After listening to the speeches of Honourable Members, I will speak again to give further supplement. Thank you, Deputy President.

MR IP WAI-MING (in Cantonese): Deputy President, it has been 20 days since the earthquake of magnitude 9.0 occurred in Japan. The casualties and people missing have been on the increase. Like other colleagues, I feel sad and hope that the local residents there can courageously pick themselves up and continue with their living.

The nuclear radiation incident triggered by the earthquake and tsunami has become a cause of global concern, not only the health of local citizens are affected, the nuclear fallout has also spread to different places around the world. Although on most occasions, the experts indicate that the radiation level remains negligible, the incident has captured the world's attention, including that of Hong Kong. Agricultural products are particularly affected as people worry that radioactive substances will be absorbed into the body through consumption of the contaminated food.

Deputy President, two weeks ago, the Eating Establishment Employees General Union (EEEGU), an affiliated union of the Hong Kong Federation of Trade Unions, held a press conference, during which concerns were raised over the reduced supply of food materials from Japan and the surge in prices. In fact, many people feel panic and choose not to patronize Japanese restaurants. The EEEGU was very concerned about the livelihood of employees in Japanese restaurants as businesses have dropped substantially. We thus hope that the Government would face squarely this problem and communicate with the Japanese Government to see if some kind of certification can be provided to certify that food products exported to Hong Kong are not contaminated by radiation.

The Government should also step up food sampling to ensure that the food has not been contaminated and is safe for consumption; as such, public confidence in consuming Japanese food can be restored. Otherwise, I am afraid that many employees of Japanese restaurants will be affected or they may even be dismissed. We hope that the Environment Bureau or the Commerce and Economic Development Bureau will work closely with the Labour and Welfare Bureau to keep this issue in view, so that timely assistance can be provided to employees of Japanese eating establishments when the situation deteriorates.

Moreover, as far as the tourism industry is concerned, the number of Hong Kong people visiting Japan has decreased and so has the number of Japanese

tourists visiting Hong Kong, thus putting many travel agencies and tour guides receiving Japanese tourists at stake. I hope the Commerce and Economic Development Bureau can take note of this problem.

Deputy President, there is one more point. Very often, we worry about the contamination of the food chain by radiation or the presence of radioactive dusts in the air. In fact, many front-line workers are dealing with this situation every day. These workers include the 10 000-odd ground crew who work in the airport and workers at the air cargo terminal. Deputy President, there are almost 20 Hong Kong-bound passenger and cargo flights and over 90 000 tonnes of cargoes from Japan every day. The ground crew have to handle these cargoes. Recently, the Government ordered that all cargoes coming in by passenger and cargo flights from Japan have to undergo radiation checks. The entire procedure has caused much anxiety to the ground crew because they have to unload the cargoes onto the airport apron before custom officials can check the radioactivity level of the cargoes. During the whole process, members of the crew are only protected by a simple mask and a pair of gloves, while custom officials wear a complete set of protective clothing when they check the cargoes. What makes the ground crew feel most uneasy is that their companies or air freight companies have stipulated in the guidelines that they are only entitled to radiation body-checks or treatments when the cargoes are confirmed radiation-positive by custom officials.

The ground crew are confused about the procedure and they consider the Government's approach a total disregard of their feelings. They question why they are not provided with protective clothing by their companies or the Government for handling the cargo; or why not arrange custom officials to board the plane first for radiation check before asking them to handle the cargoes. We thus hope that the Government would liaise with the air cargo terminal, the companies concerned or the Airport Authority to improve the procedure, so as to reassure the ground crew that their safety and health are protected; seeking remedies after mishaps is of no help.

We have contacted the Security Bureau, the Food and Health Bureau and the Airport Authority, but they also shirk the *(The buzzer sounded)*

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR RONNY TONG (in Cantonese): Deputy President, although the Secretary for Commerce and Economic Development and the Secretary for the Environment are present today, I am surprised and disappointed to find that the Secretary for Security is absent. Deputy President, I believe that in the recent nuclear incident in Japan, what worries the people of Hong Kong most is security issues, rather than economic or environment issues. Unfortunately, the Secretary for Security did not have time today to answer questions at the Legislative Council.

Deputy President, I note that the Secretary for the Environment has just mentioned some security issues. He mainly tries to reassure Hong Kong people that they need not worry and that similar incidents would not happen here. However, frankly, we all know that if anything can go wrong, it will go wrong. The incident in Japan has precisely proven the Murphy's Law.

Deputy President, if you, like many Hong Kong people, have watched the television news in the past few days, you would have noticed a point of dispute, that is, the Japanese authorities said that for reason of safety, its nationals were only required to evacuate to places 40 km beyond the accident centre. The United States, however, maintained that according to international safety standards, the nationals should evacuate to places 80 km beyond.

Deputy President, I believe many Hong Kong people sitting in front of the television watching the news do not know whether they should cry or laugh at this argument because the Daya Bay Nuclear Power Station is only 20 km away from us and even the Lingao Nuclear Power Station is only 50 km away. Should anything happen, does Hong Kong have any contingency measures?

Deputy President, first of all, the SAR Government has never disseminated information on this subject; and second, if Members have done a simple Internet search, they will find the situation even more ridiculous.

Deputy President, we tried to find relevant information from the Security Bureau website and found a 10-page document titled "Daya Bay Contingency Plan of the Hong Kong Special Administrative Region". However, after reading

the paper, you still do not know what contingency measure you should take. For instance, there is a question in the document: In the unlikely event of a serious nuclear incident, what should the public do? Deputy President, do you what to know the answer? It says: "The public should pay attention to announcements made in the radio, television and government website It is for their well-being that the public should gain a better understanding of the Daya Bay Contingency Plan to protect themselves from mishaps during a nuclear emergency."

Deputy President, who would not know that your mother is a female? The point is, what should they do to protect their "well-being"? This is indeed a typical response of the Government in answering to questions raised by Members or the masses. Even if it has answered your question, the answer is not an answer to your question. All that we can do is to pray for our own safety.

What about other contingency plans? Deputy President, let me read out the following: "..... and that Hong Kong and Shenzhen are at a safe distance from Daya Bay (so 20 km is considered a safe distance), even in the highly unlikely event of a significant release of radioactivity during an accident (it is talking about a significant release of radioactivity), there would be no need for the general public in either city to take action such as staying at home or seeking shelter (I never know that people do not need to take these special actions and they can continue with their window-shopping, movie watching and shopping around) The measures would include the evacuation of Ping Chau, an outlying island some 12 kilometres to the west of Daya Bay, together with the seas surrounding it in Mirs Bay, as well as providing other assistance that may be required to safeguard the community." Deputy President, there are other so-called "contingency" details, such as we should be more careful in washing the fruits and vegetable and in what we eat. These are the "contingency" measures that the public should adopt, according to the authorities.

Deputy President, in view of the serious incident that happened in Japan, should the website concerned be updated? The website has information on issues related to significant release of radioactivity. Now that there is a contention between Japan and the United States over whether people should be evacuated to places 40 km or 80 km away from the accident centre, how can the so-called "contingency measures" in Hong Kong be like that?

Deputy President, some experts have pointed out that even if the Japanese version of the contingency measure is adopted (if the American version is considered too conservative), people in Hong Kong still have nowhere to go. If people are asked to evacuate to a place 40 km away, where can they go? Should they jump into the sea? Should they swim to the destination? Where can they evacuate to? Deputy President, it has been suggested that the only route of evacuation is to go to the Mainland along the roads in the west. If so, should the authorities hammer out a contingency plan to inform the public how the Government is going to lead several hundred thousand or million people out to places in Guangxi? Should the authorities liaise or make prior arrangement with the Mainland authorities? How should the public react? Deputy President, the so-called "Daya Bay Contingency Plan" is indeed ridiculous.

Deputy President, in comparing our contingency plans with those of other countries, I really find our SAR Government very incompetent. Members can refer to the contingency guideline on nuclear station incident adopted in Ontario, Canada. The guideline clearly sets out the contingency measures to be taken by heads of departments and the subordinate departmental staff. It also covers evacuation measures which go into such details as how to take care of animals and how to evacuate. All such topics are set out in great details.

As for other places such as Japan, people have regular drills and they are well educated. The authorities in charge of education organizes evacuation drills in conjunction with schools. Farmers and food processing plants entrust professionals to provide education and guidance on this subject. Reviews are conducted every four years to update the guidelines adopted by different authorities. Dedicated websites on nuclear safety are set up where people can register their email address to receive instant messages on nuclear safety. Even the Atomic Energy Council of Taiwan has a dedicated website to list detailed information on nuclear energy, while schools and organizations can apply to the authorities for *(The buzzer sounded)*.....

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR RONNY TONG (in Cantonese): organizing special seminars on this subject.

DEPUTY PRESIDENT (in Cantonese): Mr TONG, your speaking time is up.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, I think many points mentioned in the original motion fail to get to the crux. The original motion urges the SAR Government to, having regard to the latest development of the incident, strengthen the monitoring of the economic impact of the earthquake in Japan on Hong Kong's financial market. First, Japan is now suffering from the aftermath of an earthquake, and all we can think of is its economic impact on Hong Kong. I am afraid this is too Hong Kong-oriented. I think the problem at stake is that the future survival of the human race is under major threat.

Next, the original motion also urges the SAR Government to step up surveillance of the radiation levels in Hong Kong and the safety tests on food products imported from Japan. We certainly will not oppose these requests, but I do not think that these are our top concerns. I think our top concern is whether the entire human race, not only the people of Hong Kong, should continue to use nuclear power.

With regard to this issue, let us review the past history. Every time a nuclear disaster occurred, operators of other nuclear power plants around the world claimed that safety reviews would be conducted and then solemnly reassured that their power plants were safe. This is the case for the Three Mile Island incident; then the calamity at Chernobyl. Even though so many people were affected, operators of different nuclear power plants still claimed that their plants, unlike the Chernobyl nuclear power plant, were safe and hence there were no problems whatsoever.

The current disaster in Fukushima, Japan is also related to a nuclear power plant. Not only uranium, but also plutonium has been detected in the course of the incident. A so-called American "politician", that was the word used, who appeared in a television programme, bluffed that one pound of plutonium could pose health hazard to, or even kill, 8 billion people. The politician later corrected himself and said that one pound of plutonium could pose health hazard to 200 000 people. Even if only 200 000 people, and not 8 billion people, can be affected, it is already bad enough.

Now, what worries me most is not the impact of the incident on Hong Kong's economy; the problem is not how we should react, but the overall attitude, that is, whether we should give an ultimatum to human society, saying, "That is enough. We should all stop the development of nuclear power and replace it with renewable energies." I think this is the most important thing to do. All councils in the world or all governments should now give out this message.

Otherwise, the masses are still being deceived by their government to believe that their nuclear power plants are safe and no accidents will happen. Even if operators of nuclear power plants say that their plants are safe, things may go wrong, and accidents may still happen. There are so many unknown facts in the world, it can be a natural disaster, or it can be a man-made misfortune; either way the consequence is incalculable.

There is an apt Cantonese saying that "there is always a possibility of unpredictable circumstances". This is a folk wisdom often applied to our daily lives and in fact, it is most appropriate for nuclear energy. Operators of nuclear power plants often employ every possible means to ensure safety, but accidents still happen; by then we realize that there are bound to be loopholes however comprehensive the plans are.

I do not want to create panic, but history has already shown us that should a nuclear accident occur, the consequences can be so disastrous that we can barely afford to undertake. We do not know how the incident in Japan will end. I give the Japanese people my best regards, hoping that they can pull through. We sincerely hope that the problems can be solved in the end.

However, to date, the impact has been far-reaching. No one knows what will happen if plutonium penetrates into the soil and seeps into the water. It is simply impossible to measure the extent of the impact on the Japanese people. Unlike a common traffic accident which may cost a few lives, we can see that countless lives are lost to this single accident. Therefore, we should take this problem seriously.

I support the stance of Greenpeace which advocates "the Four Nots". First, Hong Kong does not need to increase the use of nuclear power; second, nuclear power is not safe; third, nuclear power is not sustainable, and fourth, nuclear power is not cheap. I support this four-point advocacy. On the

premise of this four-point advocacy, I particularly emphasized just now the position that "nuclear power is not safe" because a human catastrophe may ultimately be stemmed from this.

Hence, on the premise that we do not believe nuclear power is completely safe, I hold that, first of all, the Hong Kong Government has no reasons to extend the nuclear power projects or purchase more nuclear electricity, it has no reasons to enhance the supply of nuclear electricity at this stage; and second, our country simply should not construct any more nuclear power plants.

In the announcement made by WEN Jiabao, new nuclear power projects will now be put on hold until safety plans are completed. I still think this is dangerous. As I have just said, there is no such a thing as safety plan in the world. If there is such a plan, the Chernobyl incident would not have happened, and the Fukushima incident would not have happened. Can safety plans really work the magic? If not, what should be done?

Thus, even if WEN Jiabao has put new projects on hold until safety plans are completed, I still have great doubts. I hold that all nuclear power operations should be terminated in human society. We should not even think about developing nuclear power. Instead, we should really start looking for other sources of energy for electricity generation, which is the only way to achieve sustainable human society. The point in question is whether human society is sustainable, not whether nuclear power is sustainable. We do not want to trigger this time bomb. We also hope that (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR LEE CHEUK-YAN (in Cantonese): human can live on safely. Thank you, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, here again, I express my deep condolences to the people of Japan who are facing the catastrophic disasters in the century, including earthquake, tsunami, nuclear radiation and possibly volcanic eruption. The hearts of the Japanese people are

torn by these natural and man-made disasters. I thus sincerely offer my deepest condolences to them.

(THE PRESIDENT resumed the Chair)

I notice that some of these calamities are natural disasters, to which we are helpless, but the nuclear calamity is obviously a man-made disaster which should have been avoided. I remember that in the 1980s, when the community debated on whether a nuclear power station should be built in Daya Bay, the opposing views expressed were clear and overwhelming, but the Government thought otherwise, and experts were invited to assure the people that nuclear power generation was safe. Certainly, there were also experts who advised that nuclear power was dangerous.

The matter turned into a war of arguments among different experts, and the public could only play the role as observers. However, we still had our own stance. In our view, we must prepare for the "what-ifs": what should we do in case of an accident? As a matter of fact, the "what-ifs" did turn into reality in history, such as the Fukushima incident. Many experts are now trying to tackle the problems, but can they be successful? Where have those experts, who once claimed that nuclear electricity was safe, gone? Can they still insist that nuclear electricity is safe and sound?

As we all know, the Japanese people have now become victims of the nuclear calamity and what is more, other countries have also been affected and so will our future generations. Many colleagues just mentioned that the half-life of uranium is very long. The harm can roll on for many, many years. How should the problem be solved then? In tackling this problem, the wisdom of the people performs better. Though we are not experts and incapable of conducting studies and researches, we manage to see the simple fact that these chemical elements are dangerous, for sure we cannot keep saying that they are safe. Now that problems have emerged, what should we do? These problems simply cannot be solved.

Hence, first of all, I earnestly hope that not only our neighbouring countries, but all places in the world will stop using nuclear power, so that we can

search for new energy and the human race can sustain. If we continue to rely on nuclear electricity, we cannot divert our attention to other forms of energy. Is nuclear power really that cheap? Yes, in the long run, the cost of nuclear power may be low, but regrettably, the costs in the following two areas have not been taken into account: first, the prior investment on infrastructure can be astronomical. Furthermore, President, the biggest problem that has not been considered is the disposal of nuclear waste. If nuclear power plants have to be shut down in the future, how should the radiation problem be dealt with? How much money should be spent in this respect? All such costs have been excluded.

At present, we do not have any desirable options in disposing the nuclear wastes. Some people suggest burying the waste in the desert, is this the safest option? We do not know. Even if the above option is adopted, can safety be ensured during the process of transportation? We do not know. There are still many unstable factors involved, and right now, we still focus on nuclear electricity. In fact, is this the right approach to take? Hence, in the face of this incident, I really think we should start developing other energy-efficient resources. This is the right approach to take.

While we should focus on the development of other energy-efficient resources, we cannot just stop the operation of nuclear power plants immediately. I do understand the logics, but if we do not stop the operation of these plants immediately, what should we do if an accident happens today? This is a question we must face squarely. Mr Ronny TONG mentioned just now that other countries have put in place measures and guidelines, but what about Hong Kong? If the nuclear power station adjacent to Hong Kong has any problems, what should we do? Many colleagues mentioned just now that the Daya Bay Nuclear Power Station is only 20 km away from Hong Kong. If anything happens, it will be disastrous and we will not know what to do.

What is worst is that our indifferent SAR Government seems to have turned a blind eye to the problem, offering us no measures or guidelines. Certainly Mr Ronny TONG just said that there is some outdated information on the Internet, but President, I wish to tell you, my colleague has called the Security Bureau asking for some hardcopy information on the preventive measures. The person replied that there were such information but he did not know where the hardcopies were kept. In other words, there is no printed information on this

subject. What should we do then? My colleague wanted to get a hardcopy to summarize the information for public reference, but to his surprise, there was no such information. President, not only is the information outdated, there is simply no hard copies. The situation is indeed terrible.

That is why, to date, the SAR Government still cannot inform the public of any contingency measures. I think this is a serious problem. The Fukushima incident happened days ago, why has the Government not learned from the pain and worked on the preventive measures? In the last adjournment debate, I said that immediate actions should be taken. However, to date, the Government seems to have turned a deaf ear to our views, as if no follow-up actions are needed and that nuclear plants are very safe. I thus hope that the Government can learn from the pain and make an effort to do something. Thank you.

MR WONG YUK-MAN (in Cantonese): President, it has been three weeks since the occurrence of the Fukushima nuclear incident, but still, we do not see the light at the end of the tunnel. Yesterday, Naoto KAN, the Prime Minister of Japan, described the incident as the worst crisis in the history of Japan.

The nationals of Japan have remained calm and restrained despite the disaster, and this has won acclaim worldwide. However, the Tokyo Electric Power Company and the Japanese Government are at their wits' end and have taken ineffective remedies, which have only worsened the nuclear crisis. Regarding the development of the incident, it is not difficult to deduce the major causes, which are largely attributed to man-made blunders. Many people strongly emphasized that the incident was caused by the tsunami. I recalled that some experts had attended a special meeting held by the Panel on Security, one of them was Prof C F LEE and the other one was Prof KUO Way. Prof KUO Way was more objective and Prof C F LEE, former Vice-chancellor of the University of Hong Kong, had been promoting the Daya Bay Nuclear Power Station. Man-made blunders turn out to be crucial, this is the case in Japan.

In brief, first, there are no contingency plans. According to the information from the *Sunday Thames*, while "independent" contingency plans in the event of earthquake, tsunami, power failure and nuclear crisis have been laid down for nuclear power plants, no thoughts have been given to the simultaneous occurrence of those four incidents. There is no "ultimate plan" for preventing

the leakage and spread of radiation when those multi-protection measures fail. In the end, the situation today runs out of control.

The second problem is withholding information and providing wrong information. The third problem is the fossilized practices and slow responses on the part of the Tokyo Electric Power Company. I will not go into the details of these problems, for I have only seven minutes to speak. I would rather talk about the insights we have gained from this incident.

As far as man-made blunders are concerned, the nuclear incident in Japan is also caused by the slackness of the Japanese Government and the chaotic situation faced by front-line staff in the immediate aftermath of the earthquake. The man-made blunders are too many to be listed. The so-called "nuclear safety" is nothing worth mentioning. However, to date, only stopgap measures are implemented to cool down the heat, failing to tackle the problem at root. There is still no conclusion as how to stop the spread of radiation once and for all.

For such an advanced democratic country like Japan, it still fails to handle the nuclear incident properly. The incident reveals to us the smallness of men against the nature, as well as the ignorance of men about their inadequacies and wickedness.

I wonder if the President has read a poem titled "Self-encouragement: To Fight" (奮鬥自勉) written by MAO Zedong at the age of 24 in 1917. The poem was later distorted to read as MAO Zedong said "To fight against heaven, it is great! To fight against earth, it is great! To fight against men, it is great!" Indeed, in the original poem, the verses read as "To fight together with heaven, it is great! To fight together with earth, it is great! To fight together with men, it is great!" However, the original verses have been distorted as "To fight against heaven", "To fight against earth" and "To fight against men". Hence, MAO Zedong was depicted as one who inclined to fight against everyone, and this ideology had been made the guiding principle for class struggle. A conclusion was subsequently drawn that MAO Zedong was a devil. The above exposition may be distorted, but the thinking of MAO when he was 24 years old was that "Man will conquer nature". While this idea could be regarded as the aspiration of a young man to strive for the better, it fully revealed his atheism. He only believed in himself, that is why he believed that "Man will conquer nature". In

the face of the earthquakes and tsunami, how can one say that "Man will conquer nature"?

People say that China has been liberalized, but I consider it as the establishment of political power by the Communist Party of China (CPC). President, since the CPC has established its power, the various sufferings of by the people were mostly caused by man-made blunders. Owing to the mindset that "Man will conquer nature", one fails to humble himself before nature.

At the press conference of the National People's Congress just past, that is, on 14 March, Premier WEN Jiabao was asked by a foreign correspondent about the legacy he wished to leave behind as he would leave office in two years. He said, "At present, corruption poses the biggest danger." Following this line of thought, how can we be sure that officials at various ranks from the CPC will not cheat in work and use inferior materials in constructing nuclear power plants, and in carrying out disaster preventive and rescue works? Premier WEN is determined to "ensure absolute safety in nuclear energy" and has ordered the suspension of granting approval to new nuclear power projects, however, the principle on nuclear power development in China will remain unchanged. Had the President paid attention to the news, he would have noticed that this remark from Premier WEN had drawn immediate criticism. He was criticized for being conservative to call for an immediate halt in approving nuclear power projects simply on the shock of the Japan incident and was considered as overreacting. You see, he is criticized for adopting this practice. The officials at all ranks in the motherland, including the mindset of the people, make us quiver. Hence, the greatest insight brought by the nuclear incident in Japan is that we are surrounded by time-bombs, so what should we do?

We are no experts. The two experts attending the meeting of the Panel on Security had spoken impressively for more than two hours, but we did not understand what they were talking about. On that day, I complained to Mr James TO that in the three-hour meeting, two and a half hours had been spent on one single agenda item, and the remaining two items could not be discussed. The expert was just promoting the safety of nuclear power stations. Buddy, in the face of such a big incident, when everyone is so anxious, he dared say that nuclear power stations were safe! His alertness was extremely low. Should any mishaps occur, we should be ready to jump into the sea, as the Democratic Party did today. However, they stood up again after jumping into the sea it

would be better not to stand up after jumping into the sea. Why should they jump into the sea and stand up again? What is the point of jumping into the sea with a life-jacket? Their constitutional reform proposal has pressed all of us to jump into the sea and we could not stand up.

We have to be responsible to our descendants. We cannot say that Hong Kong will not be hit by that kind of tsunami, and that the nuclear incident in Japan was caused by tsunami. However, apart from the onset of the tsunami, there were many man-made blunders, and I have quoted some examples earlier. In my article, I have clearly stated that the tsunami was definitely a direct cause, but the great death toll was a result of the subsequent man-made blunders, which will adversely affect our descendants It may take several decades for Japan to recover. This is a profound insight to us.

President, since I have only seven minutes to speak, I can hardly state my views one by one. However, I hope that we are not counting on our luck, nor believing that "Man can conquer nature", and I hope we will resolve the man-made blunders. Thank you, President.

MS LI FUNG-YING (in Cantonese): President, the tsunami and earthquake in Japan have triggered the meltdown of the core of reactors in the Fukushima nuclear power plant. This crisis of nuclear leak and spread of radiation has shocked the world and raised concerns worldwide. The crisis is not yet over. Japan is still under the threat of nuclear radiation. The rescue work in the aftermath of the disaster is made even more difficult. I sincerely hope that Japan can overcome this crisis smoothly, and that its people can return to their normal life.

The present nuclear crisis involves problems in various aspects. There are general issues like the relationship between the human race and nature, the safety of nuclear energy and the development of sustainable energy. There are also specific issues how the relationship of development of nuclear power in nearby regions has affected Hong Kong, our education on nuclear safety and contingency plan for nuclear crisis, the impact of the Fukushima nuclear crisis on the economy and society of Hong Kong, and so on. The original motion and the many amendments have reflected the concerns of Members on these issues.

Despite the distance between Hong Kong and the Fukushima nuclear power plant, our daily lives will be more or less affected under globalization. Among the various issues, the buying sprees on salt and milk powder have aroused extensive discussion in society. Recently, I notice that some very popular Japanese restaurants, which used to be crowded with customers during peak hours, are now having only a few customers. The sales of sashimi, sushi, as well as vegetables and fruits from Japan have decreased substantially. If the situation persists, it will definitely affect the operation of these shops. Hence, I understand why certain colleagues have, in their amendments, called on the Government to make reference to the Special Loan Guarantee Scheme launched during the financial tsunami to provide appropriate assistance to small and medium enterprises (SMEs) facing difficulties in operation. However, I think not only owners of SMEs suffer in the Fukushima nuclear crisis, employees engaging in related industries affected by nuclear crisis will also have to face the risks of layoff and salary cuts. Therefore, I implore the Government to adopt a holistic approach in launching support measures, for the salvage of the market and employees must be carried out at the same pace. If loans are provided to assist the affected trades, should we, at the same time, consider granting loans to employees being laid off by the affected trades? All along, I have been advocating for the establishment of an unemployment loan fund by the Government. At this time when Hong Kong is facing the Fukushima nuclear crisis, I reiterate this request.

President, in the face of the Fukushima nuclear crisis, the public urge the Government to fulfil its gatekeeper's role properly, strengthen radiation surveillance and check the safety of food imported from Japan. We know that the Government has already implemented some measures, such as banning the import of vegetables and fruits from the five prefectures in Japan, including Fukushima; the Centre for Food Safety has also been conducting random checks on the radiation dose of food imported from Japan. Undoubtedly, these measures will help allay the fear of the public, yet tests to ensure the safety of the public have to be carried out by front-line staff members. Given the large number of flights, vessels, containers or cargoes, and even visitors, from Japan, the authorities have to confirm that incoming visitors and goods are safe, and front-line staff responsible for gate-keeping are at considerable risk. As such, the Government has to ensure their work safety, and that they will not be exposed to radiation. This is also a matter of crucial importance. These front-line

employees are at the forefront in guarding Hong Kong, so I hope that the Government will not overlook their needs.

President, finally, I would like to point out that in the face of the nuclear crisis, people are frightened upon the mentioning of nuclear energy, this is natural. However, in the face of growing energy demand and tightening carbon emission requirement, it is unrealistic to request a complete ban on nuclear power generation. The advancement and development of society is filled with conflicts and struggles. The nuclear crisis in Fukushima conveys a very important meaning to us that nuclear power generation must be used with greater cautious, and that we should seek breakthroughs in technology and explore other renewable energy. I hope the SAR Government will liaise with the relevant Mainland departments, the authorities of Guangdong Province in particular, so as to provide a true, systematic and comprehensive introduction on the development, management and contingency arrangement of nuclear power, so as to alleviate the worries and doubts of the public. Thank you, President.

MS CYD HO (in Cantonese): President, regarding the current nuclear incident in Japan, so far no one can clearly point out the actual scale of the catastrophe. The accident was triggered by natural disasters. Generally speaking, accidents triggered by natural disasters and man-made blunders are extremely difficult to handle. This time, the accident was triggered by natural disasters plus high-technology man-made blunders. The design of the nuclear power plant is very sophisticated with every part closely related to the others, when the cooling systems failed to work, even if the reactor managed to cease operation, the remaining heat of the reactor would continue to release energy, causing catastrophic consequences.

How serious is catastrophe? The Prime Minister of Japan, Naoto KAN, has pointed out that this is the worst crisis in the history of Japan. The Government has to set aside JPY 2,000 billion for reconstruction, and it is not sure if this sum is sufficient to settle all the aftermath problems. Japan has to seek assistance from the United States and France. The United States has sent self-defence force to help with the rescue. It is evident that the severity of the crisis is beyond the capacity of civil or business organizations; forces at national defence level have to be mobilized.

The International Atomic Energy Agency (IAEA), the most authoritative international organization on nuclear or atomic energy, has sent its own staff to the nearby areas of Fukushima to measure the radiation level, for fear that the nuclear power plant and the Japanese Government are unwilling to disclose the actual figures. The IAEA has also convened emergency meetings to review the nuclear safety standard and proposals for handling nuclear incidents.

When natural disasters strike, it may last for half an hour or several hours. The surging waves of a tsunami will subside later. For buildings that are collapsed, there is the 72-hour golden rescue period to save people who may be unfortunately buried in the rubbles. After the 72 hours, the death toll and casualties can nearly be confirmed. People will then be able to concentrate their efforts in rebuilding.

However, in the case of the nuclear incident on 11 March, the situation worsens every day. According to the latest information, plutonium is detected in soil, and underground water will then be contaminated. Plutonium 239 is a spent fuel, it takes 24 000 years for its radioactivity to reduce to a safe level. So, how long will it take to settle this incident? It is really an unknown fact.

Earlier, some colleagues pointed out in proposing their amendments that we must carry out incident drills, set up an alert system and even establish nuclear fallout shelters. However, this kind of incident will not be settled within a short time. Even if there are underground nuclear fallout shelters which can accommodate 7 million people, how long do we have to seek refuge underground? Can we be spared from problems of contaminated food chain, can we have food and water for safe consumption?

Hong Kong has been immediately affected in some aspects. As such, the original motion requests the Government to implement measures as soon as possible in various aspects, including the financial sector, the trading sector, food safety and tourism, and so on. However, if we only focus on these aspects, we may be over-optimistic.

Since nuclear power is so dangerous, why do people still use it or promote its usage? It is solely a matter of monetary gains. Corruption is not only unique in China, many oil companies and energy suppliers in Europe and the United States have been putting on a green disguise in dealing with

environmental issues. Even though carbon dioxide emissions have caused climate changes, many energy suppliers are still putting forth counter arguments, attempting to use a green disguise to stop governments of various countries to implement green measures that will lower the demand for coal fuel.

The construction of nuclear power plants involves tremendous interests. During the periods of construction and operation, as well as handling of the plant after its closure, a large amount of monetary investment is involved. Even in democratic countries like the United States and European countries, such problems still exist and they cannot be avoided. Hence, it will be more difficult to call for an immediate halt to nuclear power projects in China, where officials of various ministries and ranks are affected by corruption; moreover, a large number of trading contracts have been approved. Besides, in the political situation in China, there is the ideology of scientific development, under which people strongly believe that man can conquer nature. Against such background, it is even more difficult to stop the rapid development of nuclear energy.

However, the severity of the incident in Japan this time has set off a clear alarm. If we still choose to turn a blind eye and a deaf ear to the problem, we are apparently digging our own graves. The immediate measure that Hong Kong may take is to set people's mind at ease, which cannot be attained by withholding information to fool the people. Instead, information should be disclosed more openly, telling people specifically what they should do.

At present, the radiation fallout drifted to Hong Kong has not reached a dangerous level. The authorities should take this opportunity when the radiation level is still within the safety range to explain the case to the public in an orderly and systematic manner. The authorities should inform the public of the phenomena to which they need to pay attention and how to stay calm in the face of those phenomena.

Another issue that has to be handled as soon as possible is to explore additional sources of food supply. Though the high-end food imported from Japan will not have much impact on the grassroots, the need of Japan nationals to purchase food overseas in the near future will push up inflation in food prices. Hence, I hope the Acting Secretary Gregory SO will respond swiftly to this issue later.

Actually, Hong Kong and the State still have choices for the time being. Hong Kong will increase the proportion of nuclear energy from the present 23% to 50% in 2020. However, within these 10-odd years, we may join hands with the business sector and in collaboration with Guangdong Province and nearby regions, conduct researches on technologies and daily habits that can reduce power consumption, and explore renewable energy, so that the human race will be spared from facing another serious nuclear incident. This is a matter concerning the existence and safety of the entire human race rather than the sole interest of Hong Kong. Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, the magnitude 9.0 earthquake and the tsunami in Japan have triggered a nuclear crisis affecting the whole world. Apart from Fukushima, radiation contamination of potable water, vegetables, milk and sea water has been recorded in the Kanto region of Japan. Radiation fallout dispersed by air has reached Northern America and Northern Europe, and other regions. Recently, a minute amount of radioactive substance has been detected in the air in Guangdong Province and Hong Kong. This unfortunate incident has prompted various places around the world to reflect on the safety of nuclear power and the role of nuclear power in global energy supply. President, I will then present my views on nuclear power from two perspectives, safety and energy policies.

President, undeniably, nuclear safety and energy policies are interrelated, but I think the two issues should not be confused. I believe every citizen will agree that there can be no compromise on nuclear safety. Should there be a nuclear incident, it will inflict immediate damage to human beings and the environment in the short term, and cause devastating damage to our environment in the long run. Hence, in this motion debate, many Members have proposed amendments pinpointing certain notification mechanisms, nuclear safety, safety rules for nuclear power, and the enhancement of contingency plan and arrangements for drills. In this connection, many Members have spoken on these issues and I will not repeat. However, I would like to stress that disregarding the occurrence or non-occurrence of a nuclear incident, the Government must do three things. First, it must enhance the transparency of the management of nuclear power plants. Second, it must strengthen and improve the notification and contingency mechanisms of nuclear power plants between

Hong Kong and the Mainland. Third, it must increase the knowledge of the public on nuclear safety.

President, at the "two sessions" (the annual sessions of the National People's Congress and the Chinese People's Political Consultative Conference) that have just ended, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) had put forth a motion on the safety issues of the Daya Bay Nuclear Power Station, and the Central Government had attached importance to the issue. Regarding other nuclear power facilities located in the vicinity of Hong Kong, we consider that by reflecting to the Central Authorities and the Guangdong provincial government, we may strive for the establishment of a formal notification mechanism, so that other nuclear power facilities will attain transparency comparable to the Daya Bay Nuclear Power Station. This will establish the confidence of the public on the management of Mainland nuclear power plants.

President, from the perspective of energy policies, there are no natural resources in Hong Kong, and owing to our geographical constraints, the development scale of renewable energy in Hong Kong will be limited and the cost-effectiveness will be extremely low. It is learnt that about one third of the total generating capacity of the China Light and Power Company Limited (CLP) comes from the Daya Bay Nuclear Power Station. According to the consultation paper on Hong Kong's Climate Change Strategy and Action Agenda submitted by the Government earlier, it is proposed that the proportion of nuclear energy in the fuel mix for electricity generation will be increased from 23% in 2009 to 50% in 2020 to reduce carbon emission. Certain green organizations have expressed their disagreement with the fuel mix earlier. Now, in the face of the nuclear incident in Fukushima Japan, society responds immediately with a request for shelving the aforesaid proposal, and some people even called for a halt to the import of nuclear power.

President, like other advanced countries around the world, Hong Kong is now at the crossroads of energy policies. In view of climate changes, we must reduce carbon emissions, and given the diminishing source of fossil fuel, we have to find stable sources of energy supply. To avoid over-reliance on nuclear energy, some people put forth the two proposals of encouraging territory-wide energy saving and large-scale development of renewable energy. President, I

agree with these proposals in principle. However, I worry about the practicability of these two proposals in reality. First, it is about energy saving. From the number of organizations and individuals participating in the Earth Hour 2011, it is evident that there is greater awareness of energy saving and emission reduction among the public, and everyone is eager to play their part. However, we have to give a second thought about this. In a society dominated by capitalism and economic development, energy-saving is no easy task. President, I will explain it with an example on solid waste disposal. We notice that the public and the Government have made strenuous effort to reduce household waste. However, we notice that waste generated by economic activities has well off-set the reduction in household solid waste. Hence, I think in the case of energy-saving, we will be facing similar problems. Even if individuals and households have made substantial energy and power saving, the electricity consumption arises from economic activities can never be off-set.

President, as for increasing the use of renewable energy, as I said earlier, due to the geographical constraints of Hong Kong, the development scale of renewable energy in Hong Kong will be limited and the cost incurred will be extremely expensive. Some green groups have told me frankly that they oppose the development of renewable energy in Hong Kong, particularly the use of wind power for electricity generation, due to the extremely low cost-effectiveness. Moreover, certain energy experts have told me that renewable energy can only account for a very limited proportion in the energy mix. Due to the instability of renewable energy, it cannot account for a substantial proportion in the entire energy mix. Hong Kong is an international finance centre and a densely populated cosmopolitan city, and we must have a stable power supply. In the absence of a stable power supply, minor incidents, such as hundreds of people being trapped in lifts, and major incidents, such as the collapse of the operation of the entire financial market, will be resulted. The impact will be immeasurable.

President, in the shadow of the present nuclear leak, while the supply of nuclear power will not be reduced, I believe it will be difficult to increase its supply. Mr Edward YAU, the Secretary for the Environment, said that the nuclear power proportion proposed in the consultation paper would be reviewed, which I think is a right approach to be adopted by the Government.

I think electricity is indispensable in a developed city like Hong Kong, both in terms of our daily lives and economic development. Hence, apart from

pursuing energy saving, we should rethink the energy mix, particularly the demand for nuclear energy.

Thank you, President.

MR CHAN KIN-POR (in Cantonese): President, it is the 20th day since the occurrence of the "311" incident. In past few days, we learnt from the press and television the ongoing nuclear radiation leak from reactors in the Fukushima nuclear power plant. It is sad to see people in the hardest-hit area losing their homes due to the earthquake and tsunami, and in this time of grief, they also have to face the problem of nuclear radiation which is still not under control.

The catastrophe in Japan this time is both a natural and a man-made disaster. Natural disasters allow no choice; but for man-made disasters, there are choices regarding whether nuclear power plants should be built, how they should be constructed and managed, as well as what contingency measures should be taken in times of emergency, and so on. All these choices can be decided by men.

In this catastrophe, tens of thousands of people have been killed or missing. Innumerable people have lost their family members and become homeless. Worse still, in the aftermath of the natural disasters, Japan and its people will be affected by radiation in future. The impact may last for several generations, the damage done to the health of the nationals and the impact on the water sources and soil can hardly be quantified in figures.

President, Fukushima is 3 000 km away from Hong Kong. Our genuine threat does not come from Japan but from the Daya Bay Nuclear Power Station, Lingao Nuclear Power Station, and the several nuclear power stations in Guangdong Province, which is only 50 km away from Hong Kong.

What worries Hong Kong people more is that according to the plan put forth by Guangdong Province in 2008, in the pursuit of being "a nuclear power special administrative region", there will be 33 nuclear reactors surrounding Hong Kong by 2020. Among them, the Yangjiang Nuclear Power Station, which is only 200 km away from Hong Kong, has six reactor units. It turns out that the nuclear power station is located next to the earthquake zone, and earthquakes of

magnitude 5.0 to 6.0 had occurred at the site. As scheduled, the nuclear power station will commence operation in 2013. However, after the Fukushima incident, the Hong Kong Government has not carried out any scientific and systematic analyses to explain to the public the safety factor of the nuclear power stations in Daya Bay, Lingao and other locations.

In the past decade, Hong Kong had never conducted any large-scale nuclear incident drills. Regarding the Daya Bay Contingency Plan, which is regarded as a code of practice for coping with nuclear crisis, the plan is criticized by experts as unprofessional and outdated. The people of Hong Kong are quite worried about this. Should the nuclear power plants in Daya Bay and Lingao have any accidents, there is no place for evacuation in Hong Kong, a small area densely populated. By then, Hong Kong will really be dubbed as "game over". When the authorities propose an increase in the proportion of nuclear power, it fails to put forth contingency measures to put the mind of the public at rest. The opposition of the public to nuclear power development is thus completely understandable.

President, there are pros and cons of different types of energy. No matter which type of energy is used, a price must be paid. Nuclear energy is no exception. What kind of energy mix best suits the development of Hong Kong, the State and the world? It is definitely worthy of careful consideration.

We know that fossil fuel, like fuel coal and oil, is the culprit of global warming. In order to reduce emissions and address the shortage of energy, nuclear power is used. However, a nuclear incident will cause catastrophic damages, and many people will be affected. Hence, if the costs of the catastrophic damages are included, nuclear power will incur the highest cost, and its cost-effective will be the lowest.

As I mentioned earlier, there are pros and cons of different types of energy. However, for a government that accords the highest priority to public safety, it should definitely put public safety above other considerations in planning power generation mix.

In my view, Hong Kong should continue to co-operate with the Mainland in exploring renewable energy, including solar energy, wind power, ocean energy and thermal energy from the Earth's core, and most important of all, to achieve

energy saving. These will be the two major solutions to energy development to Hong Kong as well as the world.

Renewable energy, like other types of energy, will naturally have its shortcomings. For instance, the cost incurred is high, the stability is low and the generating capacity is a concern. These are the inadequacies of renewable energy. However, it is relatively safe and clean, and sustainable. Even though the development cost of renewable energy are more expensive, we should put in vigorous efforts in its development. In energy development, we should not merely consider economic benefits but overlook the unbearable price to be paid by society.

The Greenpeace, an environmental organization, points out that according to the figures available, the potential of renewable energy in Hong Kong may cover up to 20% of the local electricity consumption. If complimented by proactive efforts in reducing energy consumption, and co-operation with the Pearl River Delta regions in developing regional renewable energy, Hong Kong does not need to increase the proportion of imported nuclear power.

I hope that the Government will thoroughly examine the overall development needs of Hong Kong. Reorganization should be carried out and a high-level advisory framework should be set up to invite experts to conduct thorough study on energy development and energy-saving measures in Hong Kong. The focus of studies should be the development of renewable energy with the Mainland and energy saving.

President, I would like to discuss one more point. What contingency plans does Hong Kong have to handle the Fukushima incident in Japan, and any nuclear incidents what may occur in the future, in particular, how to ensure that the water and food in Hong Kong are safe for consumption? The incident in Japan reveals that nuclear crisis is a genuine threat. Hong Kong should be adequately and timely prepared. For instance, should an incident occur, what should the public do in the first instance? How should evacuation be carried out? How should they protect themselves? How can the supply of clean potable water and food to the public be ensured? Moreover, large-scale incident drills should be carried out to allow the public to familiarize themselves with the contingency measures, which will reduce casualties.

Finally, I hope that victims in Japan will rebuild their homes as soon as possible. President, I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): President, in discussing nuclear power, we usually talk about its impact on the ecology of human beings, but we seldom mention nuclear weapons. Actually, electricity generation by nuclear energy is an application developed from nuclear weapons. Had lethal weapons not been produced to kill others, I believe there would not have been development in nuclear power.

Honestly, the extraction of nuclear materials or the construction of reactors can only be carried out in powerful countries that have nuclear weapons. Hence, I think the destruction of nuclear weapons is of great importance. If nuclear power is frightening, are nuclear weapons not frightening? The weapons will be launched, will they not? At present, countries around the world are spending tremendous resources to develop missiles to carry atomic bombs to other places. Hence, I think any discussion on nuclear power without mentioning nuclear weapons is losing the substance by grasping at the shadow. At present, it is a prevailing trend worldwide to oppose the spread of nuclear weapons but not nuclear power. However, nuclear power is a kind of nuclear spread, for it is the origin of nuclear weapons.

In our mother country, people would rather have nuclear power than pants; ultimately, it gets nuclear power. We are now turning the military use of nuclear power to civilian use, so that nuclear power will be used to generate electricity. At present, across the whole country, 25 nuclear power plants are in the planning stage, 12 plants are under construction and six are in operation. There are altogether 43 nuclear power plants in China, but Guangdong Province tops the chart, 10 nuclear power plants of the three aforesaid types are located in the province.

The most horrible thing about nuclear power is that a natural disaster may end up with a man-made disaster. Actually, nuclear incidents may not necessarily be triggered by natural disasters. In the case of the Three Mile Island and the Chernobyl, no earthquake had occurred. The Chernobyl incident, which severity was ranked at Level 7, was caused by human errors. The chance

of human errors increases in line with the generating capacity of nuclear power plant.

Not long ago, we asked about the situation in the Daya Bay Nuclear Power Station, and the officials said, "We are not involved, for the plant is controlled by the Guangdong Nuclear Investment Company Limited (GNIC), and the GNIC follows the instruction of the National Nuclear Safety Administration." How is this possible? Given the existing crisis in Fukushima, I believe these people who bragged unblushingly will say no more. For Premier WEN Jiabao also said that comprehensive inspections had to be carried out to examine whether there were fatal inadequacies.

During the preparatory stage of the construction of the Daya Bay Nuclear Power Station, a signature campaign opposing its construction was held, and an unprecedented number of 1 million signatures had been collected. The Daya Bay Nuclear Power Station is not completely safe. According to the information, it is located in the fault zone in Liantang, whereas Liangao is located in the earthquake zone in Yangjiang. Even though the sites of the nuclear power plants may be affected by earthquake, the construction still proceeded. We are always told: For issues decided by the State, a civilian should not say otherwise. It is for the sake of the development of the State. As said by one of the Directors of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region, I cannot remember his name now, "If the State does not have high prestige, do you think you will be held in esteem?" If the State does not have nuclear power, do you think there would be nuclear disasters?

Following this mindset, any grandiose project, if carried out in the name of the State and the Father, it need not be discussed, as in the case of the Three Gorges Project. Fortunately, the "water has dried up" now; otherwise, what will happen in the future? The dam is for 50 years only. It is simple. Our Government has been curling submissively under the Guangdong provincial government of the Mainland, let alone the Central Government. What can it say in this position? Hong Kong is included in the 12th Five Year Plan for the first time, involving in the Express Rail Link and the development of nuclear power in Guangdong. Am I right? If so, how should we stop it, how can we comment on it? There is no way to do so.

President, in this connection, I think that with the Chinese population accounting for one-fourth of the world population, we can make great achievements. The State should take the lead to advocate the destruction of all nuclear weapons to minimize the risk of a nuclear explosion. Then, the construction of nuclear power plants should be stopped. The construction of nuclear power stations locating in earthquake zones must be stopped, and for other locations, it may be open for discussion. Nuclear power and nuclear weapons are horrible because they will bring detrimental consequences.

President, in the Chernobyl nuclear power plant incident, 600 000 people had been mobilized to build a concrete coffin to cover the plant. I hope for the best despite quoting a worst case scenario. In the event of any mishap in Liantang fault zone, two nuclear power stations in Daya Bay and Lingao will have problems, do we have to make such a concrete coffin? I think it is unnecessary, for there will inevitably be a lot of coffins in Hong Kong. May I ask those people have made such a loud voice in this discussion, do they have the guts to oppose the grand development of nuclear power in Guangdong. If they do not have the guts, please shut up and go home to sleep.

MR WONG YUNG-KAN (in Cantonese): President, I will now speak on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). I will express my views and that of the DAB on the motion of Mr WONG Ting-kwong from the aspect of food safety.

We all know that the tsunami and nuclear radiation crisis in Japan have come as a shock to society and have aroused grave concern worldwide, and the impact on food safety is particularly far-reaching. In this connection, we hope that the Government will step up its testing and quarantine effort for food. It should also understand that the problem has become a new subject in society and worldwide, and has aroused new concerns and focuses.

On 11 March, Fukushima, Japan was hit by an earthquake, and a nuclear crisis emerged immediately. The World Health Organization (WHO) said on 12 March that the food radiation problem in Japan was more serious than expected. An increased level of radiation was detected in milk and spinach in the peripheral area of the Fukushima nuclear power plant, and the tap water of

nine prefectures had been contaminated. The WHO requested Japan to take swift actions to prohibit the sale of food from regions contaminated by radiation. Apart from agricultural products, it also requested a temporary suspension of the sale of fish products. However, radioactive substance will spread quickly to nearby countries and regions via the movement of people and goods, air flow and water current. Unfortunately, on 23 March, radiation was detected in vegetables imported from Japan to Hong Kong.

In view of the overall situation, the nuclear crisis in Japan is not only affecting Japan, China and nearby countries are also affected, as minute amount of radiation has been detected in these countries. Hence, food has become an extremely important issue. If this is not handled properly, it will trigger more crises. As such, we hope that the Government will consider the issue from the perspective of the public. It should address the prevailing problem of dependence on milk powder from Japan and stop continual dependence. Is the Government obliged to inform the public that they do not have to stick to a specific brand of milk powder but may switch to other brands? It is very important to the next generation.

As for potable water, we know that the Water Supplies Department and the Agricultural, Fisheries and Conservation Department responsible for fish products in Hong Kong have been conducting random testing and quarantine checks constantly at present. We hope that the Government will continue to pay more attention in this respect and carry out testing and quarantine checks.

Eleven Members have proposed amendments on this subject, which is evident that Members care about this issue and show grave concern about this. In the discussion of the Food Safety Ordinance today, I have pointed out that many Japanese merchants have been rushing for purchase of food in large quantities in Mainland China recently. My friends will also arrange several fish merchants from Japan in the next couple of days to purchase fish in the Mainland. These phenomena prove that Japan nationals are quite worried about the edibility of food. That is why I have to reiterate the need to accord greater concern and attach more importance to food safety.

Certainly, colleagues of this Council will visit the airport next week to examine the work on testing and quarantine checks, and I think Members are being responsible to the public in doing so. I hope this incident will remind the

public to be more conscious about food safety. We are concerned and worried about nuclear radiation. I believe everyone in the world will have grave concern about this issue, and studies will be carried out to identify solutions to the problem. However, we notice that the discussion held and announcements made have failed to bring about the effect. As the situation in Japan seems to be worsening, members in society become anxious. What are the reasons? I believe health experts around the world should attach importance to this problem and conduct continual studies. I hope that the Government will endeavour in instilling right attitudes in society, so that the public will know how to respond. It will be a problem if the Government has done a lot but the public still do not know how to react, and the problem is hard to address. In this connection, I hope the Government will consider the issue in a holistic manner, aiming to remove worries of the public and set their mind at rest. Thank you, President.

MS EMILY LAU (in Cantonese): President, the nuclear incident in Japan is really scaring. The public are extremely anxious as they watch the daily television broadcast or listen to the news report. Up till now, the Japanese Government still cannot tell when the situation can be put under control. I believe not only the Japanese are deeply worried; people in many other countries are worried too. The subject of the motion today is the impact of the incident on Hong Kong. President, against the background of a global village, incidents occurred far away will soon affect us. Hence, the international community must work together to resolve the problem.

Today, the media launched severe criticism against the Hong Kong Observatory (HKO). Earlier, Members have also queried why the HKO has delayed a few days in announcing the detection of radiation fallout containing iodine reaching Hong Kong? President, of course, I do not want to see the public panic. However, I must point out that the best approach to lead the public to handle crisis calmly and stoically is to provide them with accurate information promptly. On Monday, the HKO said that air containing iodine would only reach Hong Kong on Thursday. But yesterday, it said that the air had already reached Hong Kong last Saturday. Upon hearing the announcement, I thought it was made by the Japanese Government. President, self-contradictory remarks should be avoided. Hence, I earnestly hope that the authorities will learn a lesson from this and inform the public immediately and accurately the real

situation. When the public are in panic, the authorities should calmly provide the public with relevant information as soon as possible, so that they will respond in a mature manner to a crisis which development is still unknown.

President, on Monday, we received a parliamentary deputation from the German Bundestag. Our discussion focused mainly on the budget, for they were responsible for formulating the budget in Germany. However, we naturally came to discuss the nuclear crisis, for hundreds of thousands of people had taken to the streets in Germany. President, you may have noticed that in a regional election held in Germany recently, the ruling alliance has lost the election. It is evident that many people are concerned about nuclear crisis. We asked members of the German Bundestag about the situation in Germany. They told us that there were presently 17 nuclear power plants in Germany, and after the nuclear incident, eight older nuclear power plants were shut down immediately. We were curious and asked them how adequate electricity supply was maintained after the shut down of the eight nuclear power plants. They said they could only increase the capacity of power generation fueled by coal and natural gas. A member present, who was in the opposition camp, said that they had been requesting the government to shut down the nuclear power plants for years, but the government refused to do so. In the face of the present incident, the government ordered a complete shut down of eight nuclear power plants. We do not want to get involved in the political dispute in Germany, but I believe that the situation is very critical and people are scared about nuclear crisis. President, they said that the German Government would examine all possible scenarios of accidents or accidents that never been thought of in the past, and thorough inspections would be carried out on all nuclear power plants to identify ways to address the problems.

In fact, apart from this, we may strive for energy saving. The issue on energy saving has been discussed for a long time. I agree with a German friend of mine that there is much room for improvement in this respect. I hope that the authorities will do their best. I will not talk about long-term work for the time being, President, may I invite you to walk around this building with me. In fact, I do this every day. I call myself the Green Prefect. I will check whether electrical appliances in each room have been turned off, including lights, air-conditioning, computers, radios or televisions, and so on. If energy-saving objectives can be achieved in this building, they can be achieved in every

building in Hong Kong. I do not know whether the Secretary can tell me if everyone develops good energy-saving habits, can we save a large amount of energy? I think there is much we can do in energy saving. So, regarding the consideration of increasing the proportion of nuclear power to 50% in 2020, as proposed by the Secretary, I believe this will not be accepted by society now. Surely, Members should understand that the reality does not allow us to stop using nuclear power completely. However, we hope that the proportion of nuclear power will not be increased.

First, we have to inspect nuclear power plants. I hope that the State will inspect all nuclear power plants, not only those near to Hong Kong but also the others. If Hong Kong makes vigorous effort in energy saving, an increase in the proportion of nuclear power shall be unnecessary. If energy saving is effective, President, we even hope that the proportion of nuclear power can be lowered.

The Secretary said earlier that the development of renewable energy would be relatively difficult. However, we should bear in mind that if we do not do so, something horrible may happen. President, more often than not, many impossible issues will become possible as a matter of urgency. I read this from the report of a newspaper, but I am not sure whether or not it is true: The Emperor of Japan used candles for illumination when dining. I am not asking Members to hold meeting in the dark. But if we are willing to change some of our habits, say use less hot water to bath and turn off unnecessary lights, it will save electricity, President. Hence, I hope that the crisis today will impel all of us to change our daily habits.

The Democratic Party will not support an increase in nuclear power supply in Hong Kong, not even so for other places of the State, and I hope that people in China will agree with this stance. In the face of a nuclear crisis, we should explore new methods or safe methods for electricity generation. We all look forward to economic development, but if these incidents occur continuously, some people will not have the opportunity to enjoy the fruits of economic development.

MR CHAN KAM-LAM (in Cantonese): President, on 11 March 2011, northeastern Japan was hit by an earthquake of magnitude 9.0, which had

triggered a tsunami in the eastern Pacific Ocean. The disaster has caused heavy casualties. It has dealt a direct blow to the hub of heavy industry in Japan, and it is hardly possible to estimate the economic loss incurred. The development of the nuclear incident is beyond prediction right now, and the disaster will exert far-reaching impact on the world economy.

The impact of the disaster on the financial market has been reflected immediately in Japan's stock market, where the Nikkei Stock Average had recorded the highest single-day plunge of 1 400 points, or nearly 15%. Japan is the third largest economy worldwide, and the fluctuation of its financial market will deal a blow to the global financial market. The Dow Jones Index of the United States and the MSCI World Index recorded a drop in three consecutive days. The world stock market only started to pick up in the past few days. In the stock market of Hong Kong, the highest single-day plunge was 1 092 points or 4.68%. As the nuclear crisis in Japan shows signs of subsiding, stock prices in Hong Kong rebound. However, given the uncertainties in Japan and the unpredictability of the nuclear incident, the rebound of stock prices in Hong Kong may not sustain. Moreover, the market in general considers that the warfare in Libya will push oil prices up, increasing the volatility of stock markets worldwide. In gist, the market is extremely sensitive now, and the slightest sign of trouble will spark off sharp fluctuation. The Hong Kong Government must keep close watch on the development of the market. It should identify any abnormal activity, alert investors of factors and development that cause systematic risk, enhance information transparency, disseminate prompt and accurate information, and help clarifying rumours and prevent exploitation of rumours, so as to ensure the normal operation of the market.

Exchange rate is another cause of concern. After the concerted intervention in the exchange markets by the central bank of Japan and central banks of other G7 countries, the exchange rate of Japanese Yen has become relatively stable, and no abnormal capital flow in Hong Kong has been identified for the time being. However, some market participants indicate that the fluctuation in the exchange rate of Japanese Yen will greatly affect structured financial products of banks in the peg financial market, particularly for products on USD to JPY peg. It is evident that the market is worried about the exchange rate of Japanese Yen. To secure sufficient fund for rescue and rebuilding work, the central bank of Japan has injected a colossal sum into financial institutions, and the market may have to face challenges from another round of quantitative

easing policies. The fluctuation of the exchange rate of Japanese Yen will affect the exchange rates of other currencies, posing risks on trading and investment. Hence, the authorities and the trade must pay close attention.

Actually, regardless of the appreciation or devaluation of the Japanese Yen, Japan must purchase large amount of resource products for large-scale rebuilding in the aftermath of the earthquake, the additional demand from Japan will intensify the volatility of the demand in the market. In view of the recent price movements of oil, food, gold and copper, another round of price hike in resource commodities will be inevitable, and there will be growing pressure on inflation.

Moreover, the shortage of consumables from Japan, particularly electronic products, vehicles and automobile parts, will push up the prices of those consumables. This will fuel the inflation in Hong Kong and increase the pressure on imported inflation. The SAR Government must be well-prepared, and it should formulate timely measures to curb inflation in order to maintain the stable development of the economy and society of Hong Kong.

Tokyo is not only the commercial centre of Japan but also an important commercial centre in the Asia-Pacific region. The nuclear radiation problem in Japan is unlikely to be solved within a short period of time. Power supply in Tokyo region is still tight and power supply restrictions are imposed in certain regions, where daily lives of the people cannot be safeguarded and commercial activities are even brought to a standstill. Many financial companies plan to withdraw from Japan, or pull back some of their employees from Japan. These financial companies may expand their branches in Hong Kong to support their business in South East Asia or the Asia-Pacific region. Some companies or enterprises may choose to move their regional headquarters away from Japan temporarily, and they may choose to relocate them in Hong Kong. Market participants estimate that several hundreds of employees in the financial sector, who are passport-holders of European countries and the United States, have been pull back from Japan temporarily. More of them will move to Hong Kong to work while waiting for approval of their visas and working permits. This is a concern to Hong Kong. This will bring additional professionals to the financial sector and expand the scale of financial companies in Hong Kong, which is conducive to the development of our financial sector. Certainly, we will also encounter the problem of uncertain economic prospects.

The Hong Kong Monetary Authority has issued a circular to banks earlier, stating that it will adopt special arrangements to meet urgent needs. If banks have to transfer Japanese employees to Hong Kong, they may submit their requests with adequate documentary proof, and the Immigration Department will issue temporary working visas for them in about two working days. We welcome the special arrangement introduced this time and it deserves commendation. We hope that the SAR Government will continue to take proactive and vigorous measures, such as stepping up publicity and introducing facilitation initiatives, to strive for more talents and enterprises conducive to development in Hong Kong to settle here.

President, I so submit.

PRESIDENT (in Cantonese): The time has now passed nine. I think this Council cannot possibly complete the two remaining motion debates on the Agenda before midnight. Therefore, upon completing this motion debate, or at around 10 pm, I will suspend the meeting and resume it at 9 am tomorrow.

MISS TANYA CHAN (in Cantonese): President, Japan was hit by an earthquake of record high magnitude, causing the most serious nuclear power incident after the Three Mile Island accident in the United States in 1979 and the Chernobyl accident in the Soviet Union in 1986. A few Honourable colleagues have just mentioned that this incident is both a natural and a man-made disaster. This incident at the Fukushima Daiichi Nuclear Power Station has been raised from an initial Level 4 to Level 5 incident, on a par with the Three Mile Island nuclear power accident in the United States. Moreover, according to sources, the incident may be further upgraded to Level 6, its catastrophic effect is as serious as that of Chernobyl accident, which is just one level higher than this incident.

This incident has caused us to seriously consider the safety of nuclear power again. Japan is a country with the highest proportion of nuclear power generation in the world, second only to France. Over 30% of the electricity in Japan is generated from nuclear power. It can be said that the nuclear power technologies of Japan are at an international advanced level, but even the most advanced technologies cannot stand the blow of natural disasters and completely break down in a second. The reactors of the nuclear power plant in Japan fall

like dominos, with problems arising one after another. The news about the nuclear incident has become increasingly serious, with more and more areas being affected. Inevitably, human factors are involved in this incident, and we cannot help but ponder, if the Daya Bay Nuclear Power Station adjacent to Hong Kong has the same problems or if similar accidents happen in other nuclear power plants in the South China region, what is going to happen to Hong Kong?

Just think, not long ago, a little rumour caused panicked shoppers to snap all table salt in stock, and some retailers took this chance to mark up prices. In fact, Hong Kong people do not have the adequate capability and knowledge to face nuclear power incidents, they are not well prepared for these incidents. As Mr Ronny TONG has just said, as compared with other countries, the Government has provided much less information on how to deal with nuclear power incidents, and there is room for further improvement in connection with the notification mechanisms for nuclear power incidents.

Actually, the existing notification mechanisms for nuclear power incidents of the Daya Bay Nuclear Power Station and the Lingao Nuclear Power Station are excessively weak. We have learnt from the relevant papers that, under the agreement on Guangdong-Hong Kong co-operation, when an incident at Level 2 or above occurred at the Daya Bay Nuclear Power Station, the Prevention and Emergency Administrative Commission Office of Guangdong Province for Nuclear Accident of Civil Nuclear Facility (PEACO, GD) should be notified. PEACO, GD will notify the International Atomic Energy Agency and Hong Kong of the incident. When there is radiation leakage to areas outside the plant, PEACO, GD will disseminate information through the Hong Kong Observatory (HKO) after it has been notified of the incident, and it will make the best efforts to announce details of the incident within two hours.

The aforesaid notification mechanism is worrying indeed. If a nuclear leakage accident occurred in the Daya Bay Nuclear Power Station, the station must first notify the authorities concerned in Guangdong Province, and Guangdong Province will then notify Hong Kong; such kind of notification may take several hours. Nevertheless, the Daya Bay Nuclear Power Station is only 20 km away from Hong Kong waters, and only 50 km away from our urban area. If the wind direction is desirable, these radioactive particles will probably reach Hong Kong within several hours or one to two hours. If the Government fails to make timely notification while the HKO has already detected abnormal radiation

levels, what will the situation in Hong Kong? I am sure that there must be a serious panic. Honourable colleagues may recall that, the notification mechanism for a nuclear accident below Level 0 has just been recently changed after people in Hong Kong have repeatedly fought for it. The current notification mechanism definitely fails to dispel Hong Kong people's worries about the notification mechanism.

We are most worried because the way in which Tokyo Electric Power handled the Fukushima nuclear accident has been a cause for suspicion. Has the Government been notified of all information on the accident? The Japanese Government has little chance to directly request Tokyo Electric Power to provide the relevant information. We also remember that, it has been mentioned in *the Economist* that the Japanese Prime Minister was furious about Tokyo Electric Power and he doubted if it had already disclosed all information.

At present, the SAR Government is not one of the stakeholders or shareholders in the organizational structure of the Daya Bay Nuclear Power Station, and only the CLP is one of its shareholders. We think that there is much room for improvement in the notification mechanism. When opportunities arise in the future, we hope that the Government would continue to fight on our behalf for improving its notification mechanism. It seems that the Daya Bay Nuclear Power Station and the Lingao Nuclear Power Station have respectively appointed a nuclear safety advisory committee. Although the advisory committees comprise representatives from Hong Kong, they are merely channels for collecting views with no real power. Such advisory committees are window dressing in nature, without any practical monitoring effects; thus I hope that the Government would improve the notification mechanism as far as possible.

In addition, some Members have just mentioned our energy structure in 2020. In fact, in the consultation document about climate changes published earlier, the Government has proposed, in scenario 2, to increase the supply of renewable energy to the 30% to 40% level. Nonetheless, the supply of renewable energy has sharply dropped in scenario 3. I hope that the Government can try its best to fight for resources in or before 2020 to study the feasibility of using renewal energy such as wind, water or solar energy, as nuclear power is not a sustainable energy. Information shows that the nuclear fuel rods should be replaced once every one and a half years; but it takes 240 000 years for a replaced nuclear fuel rod to stop radiating radioactive materials. Just compare

the one-and-a-half-year service life to 240 000 years, it is apparently out of proportion. Hence, I hope that the Government would only adjust the energy structure after careful consideration (*The buzzer sounded*). Thank you, President.

MR LEE WING-TAT (in Cantonese): President, after the nuclear accident in Japan, I believe the most urgent task for Hong Kong or Secretary Edward YAU is to study the policy to identify areas for discussion and review. This is an essential task. In my opinion, the Secretary needs to make a very simple choice this evening: does he want to be condemned by history or is he willing to make policy changes. This is certainly unfair to him because half a year ago, nobody would have anticipated a nuclear accident. Similarly, nobody had anticipated more than 20 years ago that the Chernobyl accident would occur. After this incident, we can imagine that all world leaders would not consider nuclear power as a long-term and sustainable energy.

President, during the discussions of the Legislative Council Panel on Environmental Affairs in the past few years, we already knew that Hong Kong had limited choices. Some colleagues have just talked about renewable energy, and as I have said, strictly speaking, this is not a good choice for Hong Kong has very tall buildings. During my visit to Turkey and Greece, I noticed that all short buildings have solar panel, this is feasible because the panel in each building only serves one unit. However, in Hong Kong, there are hundreds of units in a building, the use of solar energy is not practicable unless the conversion rate is really high.

Second, when the Panel visited Denmark in North Europe, we saw thousands of off-shore wind farms after we alighted from the plane. However, in Hong Kong, the CLP had only constructed dozens of wind farms, and they can at most supply one to two percentage points of electricity. Of course, this is not very practical. If wind power generation is to become a renewable energy in Hong Kong, we have to lease thousands of hectares of land along the Pearl River, and build thousands of wind farms, so as to supply a few percentage points of electricity to Hong Kong.

Does Hong Kong have any other choice? Actually, I think Hong Kong has very little choice, and I somewhat sympathize with the Secretary for failing to

take actions. However, I am not totally standing on his side because he is not aggressive enough. We know from our discussions on energy use that 70% of the electricity in Hong Kong is used by commercial buildings; in other words, 70% of the electricity in Hong Kong is used by organizations consuming large amount of electricity. If these organizations can make certain efforts to save energy, the efficiency will be very high. Frankly speaking, no matter how hard we all try (our efforts are certainly valuable), we cannot save much energy. However, if a commercial building can save electricity by 10%, the overall electricity consumption will be lowered by 7%. If commercial organizations save electricity by 20%, the total electricity consumption will be lowered by 14% throughout the territory; the rate of reduction will be substantial.

Every time the Panel discusses the relevant issue, I ask the Secretary how much electricity can be saved under the new energy efficiency legislation — Miss CHOI is now present — I have asked the Secretary this question a few times and he has given very complicated explanations; so I still cannot figure it out. When I attended a meeting of the Panel on Development yesterday, I asked the Deputy Director of Buildings again how much electricity could be saved through the BEAM Plus Council — a Council related to energy efficiency which grants gold, silver, copper and diamond awards to encourage electricity saving. Yet, the Deputy Director failed to answer my question.

President, there must be some reasons for you to glance at me like that. Even the Deputy Director fails to answer my question, which implies that he had little concern about this point and considered it unimportant. How much electricity can be saved under the old system and by buildings being granted the BEAM Plus gold and diamond awards? Although I have repeatedly asked this question, I also asked the same question yesterday, and he said, "Mr LEE, I am sorry, I cannot answer your question, and I will give you a written reply later." Actually, the Secretary should be criticized for acting that way. Many energy saving laws have been implemented; if these laws can control or reduce commercial electricity consumption, nuclear energy may be used to a smaller extent.

Some Honourable colleagues have said that it would be most desirable if the operation of all nuclear power plants can halt immediately. We know that this is unfeasible for the time being, because the electricity used in the New Territories and many other places come from the Daya Bay Nuclear Power

Station, invested by the Hong Kong Nuclear Investment Co. Ltd. Can the amount of power generated by nuclear power be reduced? Can nuclear power be gradually abandoned? This may be feasible after 10 to 20 years' planning. According to Green Peace, if all Hong Kong people can save electricity by 30%, we need not use nuclear power; that is right. Nonetheless, every person and household should ask if it is willing to reduce electricity consumption by 30%. Are they willing to turn off their computers when not in use? Can every household cut down the use of air-conditioning in summer by 30%? This may be unfeasible for many Hong Kong people. We must be more realistic. If people cannot save energy consumption, can nuclear power plants stop operation? I think the present choice for us is not as good as other choices.

Recently, I have read a news report about nuclear power in the United States. It is most unlikely that the United States would use nuclear power. Why? After the September 11 incident, the United States has set a new requirement that all new nuclear power plants must be equipped to withstand the crash of a 747 passenger plane. Can we imagine how a nuclear power plant should be constructed so that the crash of a 747 passenger plane filled with diesel will not cause any damage? It must be constructed with 700 layers of steel boards and cement, and the costs will be so high that it will not be feasible to construct. I will not be worried if such a system is adopted by the new nuclear power plants in Hong Kong or Daya Bay. However, we have not yet reached this point. Hence, President, I hope that the Secretary would not continue to stick to his present plan because it is necessary for a review to be conducted to minimize the use of nuclear power. The Secretary should approach the issue from this perspective.

Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, "the earth trembled and the mountain swayed; gigantic tsunami waves swarmed the land; seas of flames everywhere, radiation leakage shattered everyone", I believe these are the best description of the most serious catastrophe in the history of Japan. We learn from the daily news that the nuclear disaster in Japan has become increasingly serious, just like a bottomless hole in the ground; we are not sure how far the disaster will develop. Hong Kong people not only worried about the safety of Japanese people, we also worry about our own safety.

Besides sympathizing with the Japanese people, the Fukushima crisis has directly sent a message to Hong Kong people, they must reflect on what nuclear energy is all about. I do not oppose to the use of nuclear energy, but I believe that the catastrophe in Fukushima is beyond many people's imagination, and hence, we have to consider, is this kind of energy which has all along been regarded as fairly clean and free from emissions actually safe.

In the last few decades of my life, I have experienced three disasters. The first disaster was the Three Mile Island nuclear leakage accident in the United States in 1979, 200 thousand people had to evacuate. At that time, I was attending the final year of my study at the School of Medicine. I had two children, aged three and five, when Chernobyl nuclear power plant exploded in 1986. I remember that I was in Hong Kong then, watching news reports on the spread of nuclear radiation, as well as the measurement of nuclear radiation in various places. My impression was that nowhere in Europe was spared and the affected places included the present West Europe and the British Isles, and some radioactive materials had drifted to Hong Kong. The only thing we could think of back then was that we dared not consume milk beverages and products from Europe and we had switched to consuming products from Australia. We also avoided eating various kinds of food from Europe. Unexpectedly, my family spent a year and a half in the United Kingdom the following year (1987) owing to the job requirement. We were frightened for we were not sure how much radiation still remained in the soil of the United Kingdom after such a long time. And, the third disaster is of course the present catastrophe in Fukushima.

I am just an ordinary person, but I have experienced three nuclear disasters within decades. For this reason, I think that the use of nuclear power generation is dangerous, just like pulling chestnuts out of the fire. Before the Fukushima disaster, the Government strongly advocated the development of nuclear energy. At this present moment, I believe before we voice our demands, the Government or the Mainland Government have started reviewing the policy and considering whether more stringent measures should be implemented.

Are alternative kinds of energy a better option? Of course, it would be most desirable for us to use cleaner and renewable energy; for instance, wind and hydro power generation. Some places even have terrestrial heat. However, the reality is that these kinds of energy may not necessarily be substantially developed. At present, fossil fuels are most widely used in the world, but two

problems are caused by the combustion of fossil fuels. First, it causes air pollution and produces suspended particulates; second, it generates carbon emissions and produces carbon dioxide. Carbon dioxide is not a suspended particulate but it causes many ecological disasters; global warming and green house effects are the related issues. Pollutions caused by suspended particulates resulted in a large number of deaths each year, and they also cause chronic respiratory diseases.

Therefore, human beings are "fending off one danger only to fall prey to another" in the use of energy. Even if we ward off or reject one danger, we will find that another danger is similarly ferocious and dangerous. In that case, we cannot help reflecting on the present mode of economic development. Should we maintain such a high level of consumption, and adopt the mode of economic development of "fishing by emptying the water of a pond"?

Nowadays, young people buy new mobile phones every one year and eight months; do they need to change their mobile phones so often? Do we need to turn the air-conditioning temperature so low that we have to put on a woolen sweater? Do we need lighting which is so bright that cause light pollution? It hurts our eyes and is detrimental to our environment. Do all of us need dozens of pairs of shoes, dozens of watches and hundreds of clothes? Instead of consuming this way, I think that we should consider how we can lead a simpler life. We can consume less energy so that the damages eventually suffered by Earth will be reduced regardless of the mode of power generation. I hope that the Government would take the lead in helping Hong Kong people lead a simpler life.

MS STARRY LEE (in Cantonese): President, in the face of the earthquake, tsunami and nuclear crisis in Japan, we can feel and witness the power of natural disasters. However, all disasters are not just natural disasters because human factors are involved. The handling of this nuclear crisis by Tokyo Electric Power has reflected to us the weaknesses of human nature, which include concealing the facts, delaying in notification, being over confident, or failing to seek assistance from experts and the international community in the first instance due to self-pride. The catastrophe is caused by all these factors apart from natural disasters.

When the nuclear crisis initially emerged, I remember that the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) had discussions with some experts. These experts told us that, according to their understanding, the Fukushima nuclear power plant in Japan was introduced from the United States and it was constructed with reference to the nuclear power plants in the United States and France. So, they questioned why experts from the United States — it was two to three days after the nuclear crisis happened — had not arrived in Japan. I learnt from the news reports on that day that the experts from the United States had just alighted the plane and was about to conduct a site inspection. I have been observing the situation and I learnt from the news reports that Tokyo Electric Power has only formally requested for assistance from the power company in France in recent days. This exactly reflects that the mistakes made by Tokyo Electric Power in handling this nuclear crisis has directly aggravated the situation.

Nevertheless, I do not want to talk about Tokyo Electric Power today, I just pour out my personal feelings. We must draw lessons from this incident. When we talk about the weaknesses of human nature, that is, some members of the management team of Tokyo Electric Power are concealing the facts, delaying in notification, being over confidence or failing to seek assistance in the first instance due to self-pride, these weakness, in fact, is universal. Every person, every place and every government may have these weaknesses.

As many Honourable colleagues have just mentioned, soon after the nuclear crisis, there was panic buying of salt in Hong Kong. The panic buying of salt has become a talking point. When I visited the district at that time, many people in my small constituency asked me if they should buy salt. We certainly considered that very ridiculous. Why did they ask such strange questions? Why did some people believe that salt could help resist radiation? In fact, such questions were not just asked by people with lower education level. I remember that some professionals also called or emailed me at that time. They said that there were messages on the Internet about nuclear radiation components in the air, thus we had to be careful and stay alert.

In the face of such phenomena, apart from a good laugh or teasing others as stupid, should we also ponder why such phenomena exist? These phenomena in fact reflect that Hong Kong people do not have sufficient knowledge to respond

to crisis, in particular nuclear crisis, and they do not have basic knowledge on nuclear safety.

Please understand, once a nuclear crisis has emerged, even if the Government keep publicizing and disseminating information through the airwaves, it will be too late. It is because, after the occurrence of an incident, the ordinary people will not immediately believe in the Government; they always think that the Government will release positive messages, so that people would not be excessively nervous. Instead, people will believe in some information circulated on the Internet or other smart ideas.

On public education, the most important point is that the relevant information should not only be released after an incident has occurred. Public education is a long-term and prolonged task, which enables the public to understand how they should deal with crises.

I have browsed the websites of the Daya Bay Nuclear Power Station, the Security Bureau and the Hong Kong Observatory (HKO) to find out what basic information concerning nuclear power they have uploaded. I found that the Security Bureau has formulated a contingency plan for the Daya Bay Nuclear Power Station. In fact, the plan does not have many substantive and specific contents. It is stated in one paragraph that even if an unlikely accident occurred in the Daya Bay Nuclear Power Station, resulting in substantial radiation leakage, people in Hong Kong or Shenzhen need not take any special actions or deliberately stay home or find refuge in other places. Such an answer is hardly acceptable.

The Security Bureau has given some tips for pursuing good fortune and avoiding disaster. However, it has just called on the public to pay close attention to radio and television broadcasting and understand more about the contingency measures. Such an advice does not work. As we have noticed in the Fukushima incident, there may be large-scale blackouts. If there are blackouts in Hong Kong, how can the public pay close attention to broadcasting? Moreover, as I have mentioned, if broadcasts are made when a crisis has happened, people will not believe that the Government is telling the truth, even though it is actually telling the truth. We must educate the public well ahead so that they will then believe that the Government is telling the truth.

The website of the HKO is better. It has given information on the key countermeasures against radiation include shortening time of exposure to contaminants; preventing inhalation of radioactive materials in air and preventing ingestion of contaminated foodstuffs and drinking water. This is not the specific basic information that we wanted. As Honourable colleagues have just said, we should allow the public to understand more about the basic knowledge accumulated from the past nuclear disasters.

On the basis of my observations, the Security Bureau and the Environment Bureau have been handling this issue while the Education Bureau and the Home Affairs Bureau seldom attended our meetings. The Education Bureau and the Home Affairs Bureau should play equally important roles in order to better educate the public. As stated in our amendments, the Government must strengthen public education. Public education cannot just be restricted to nuclear crises. Actually, Hong Kong is a blessed place but Hong Kong people have a very serious shortage of basic knowledge on how to deal with natural disasters.

For this reason, I think that the Government should make more efforts in public education. It should not only educate the public about how to deal with nuclear crises or about the basic knowledge of nuclear energy, and it should also explain how they should deal with natural disasters. I hope that the Secretaries would convey these messages to the Education Bureau and the Home Affairs Bureau. We believe that this is a very important task requiring prolonged and long-term efforts.

President, I so submit.

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

MR PAUL TSE (in Cantonese): President, the remarks given by many Honourable colleagues have enhanced my understanding of this issue. As Honourable colleagues have talked about nuclear facilities and development, I need not repeat what they have said and I do not intend to speak philosophically or emotionally about whether Hong Kong should make more efforts to save energy or advocate a change in lifestyle. I mainly wish to focus my discussion

on tourism; however, let me give a brief explanation about nuclear facilities in line with my voting intention before speaking on this issue.

First, I understand that many Honourable colleagues have pointed out that this incident was mainly caused by human factors rather than design or technological factors. This point is worth exploring; even if the nuclear power plants are rather old-fashioned, there are not many problems with their design and technologies.

Regarding aircraft accidents, if airplanes are found to have design defeats or suspected design defeats, they must be grounded and all airplanes of the same model have to be grounded as well. On the contrary, if defects are not found and the accidents are caused by mistakes made by the pilots, or some other reasons that cannot be explained or natural disasters, large-scale grounding may not be necessary.

For the same reason, as this accident is not related to the problems with the design of the nuclear power plant, I am afraid that some Honourable colleagues have responded rashly, saying that the nuclear projects must be reviewed afresh immediately. I do not think they need to respond rashly, as in the case of a knee-jerk reaction. On the contrary, it may be more suitable to allow more time for comprehensive planning after the situation has become clear and after experts and the Government have conducted reviews. So, I will not vote in support of the fairly rash proposals suggested by Honourable colleagues.

Second, Dr PAN Pey-chyou has just mentioned that energy actually involves a basket of risk calculation and various risks. Dr PAN Pey-chyou has correctly commented that, if we adopt the more traditional fossil fuels such as coal or petroleum for power generation, the emissions of carbon and suspended particulates will similarly cause many health problems.

As stated in some reports I have read, if a kilowatt-hour is used as the unit for calculation, the casualties rate caused by electricity generated by traditional fossil fuels is much higher than that caused by nuclear power. Certainly, one person injured or killed is already too many. In fact, many people may be killed in an air accident, but if we also calculate the average, the mortality rate of air accidents is much lower than that of common traffic accidents. I must add one

point in this connection, we should not be too nervous and make radical changes from our original ideas or arrangements just after one or two incidents.

About the tourism sector, I have repeatedly discussed about the black travel alert and I do not want to repeat myself. At present, even if the black travel alert is not issued for all areas of Japan, we should at least issue the alert for areas north of Tokyo. As explicitly stated by the Japanese Prime Minister, the whole country is now under the highest state of alert. No matter how much we wish to help the revival of the Japanese economy, it is unsuitable for us to create extra worries and trouble or allow tourists to visit Japan. Otherwise, the situation will be become worsen should something really happen.

Second, what I am going to say seems to put too much emphasis on economic cost-effectiveness, but as we can only send condolences and deepest sympathy to Japan for the casualties and catastrophe, we in Hong Kong can do very little for the situation in Japan; hence, allow me to sound a little cold blooded, I would like to take this opportunity to review our tourism facilities and measures. Should we review if our insurance arrangements in the event of natural and man-made calamities are sufficient? Or should an additional charge of 3% to 7% be imposed as waiver option, as in the case of cruise package, so that travellers can cancel their tours when incidents have occurred with having to answer any questions and give any explanations. Even though travellers have to pay higher fees, they would become aware of the risks in advance and they can make suitable arrangements.

Another point I would like to make is that, as Mr Ronny TONG and Ms Starry LEE have just said, it seems that the Security Bureau has not given adequate advices on nuclear accidents. In fact, the Travel Industry Council of Hong Kong provides very inadequate training to staff or tour guides, and the relevant guidelines are no much better than advice on pursuing good fortune and avoiding disaster. According to the guidelines, tour guide should arrange tour members to go to a safe place in the event of incidents. As we all know, these guidelines are very vague, so I hope that we will take this opportunity to review if sufficient training can be provided to front-line staff in the tourism sector, so that they can, like many Japanese, behave calmly in the face of an accident, have sufficient defense awareness and know how to deal with the situation.

Another point that I wish to make in passing is about the finance scheme that Mr Tommy CHEUNG has mentioned. The tourism sector is a hard-hit area in this incident, and I hope that the Government can consider providing similar finance schemes, not only for the tourism sector but also for other sectors that may be affected, so that assistance can be provided when major incidents occur.

I would like to repeat that, though I have made these remarks, it does not mean that I ignore the importance of this incident. In fact, we need to review all issues relating to the notification mechanisms, especially whether Hong Kong should be included in the National Co-ordinating Committee for Nuclear Accident Emergency and whether we should establish a notification mechanism. Yet, I hope that we will not make too many knee-jerk reactions.

Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, you may now speak on the amendments. The speaking time limit is five minutes.

MR WONG TING-KWONG (in Cantonese): President, 11 Members will seek to move amendments to the motion. They mainly seek to express their views on the safety of nuclear power.

A number of concerns have been raised by Ms Audrey EU, Mr Tommy CHEUNG, Mr WONG Kwok-hing, Mr James TO and Mr LAU Kong-wah, including the safety of the existing nuclear power plant in Daya Bay and the nuclear power plants to be constructed in Guangdong province. They hold that the SAR Government should review and perfect Hong Kong's contingency plan in case of nuclear power incidents; express our grave concern to and strive for a high degree of transparency for the monitoring and notification mechanisms from our country; comprehensively review all nuclear power projects which are being planned and nuclear power plants which are being constructed, and

comprehensively step up public education on the general knowledge about nuclear power risks and conduct incident drills with public participation. These proposals are in line with the views of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), we thus will support them.

Moreover, Mr James TO condemns the Administration for not conducting any incident drills under the Daya Bay Contingency Plan in the past decade. As a matter of fact, relevant departments of the SAR Government have conducted the incident drills at irregular intervals. I thus cannot agree with the above view.

Mr Frederick FUNG and Mr KAM Nai-wai propose the complete shelving of the proposal of increasing the proportion of imported nuclear power in the fuel mix for power generation to about 50%. We agree that it is necessary to increase the proportion of renewable energy and strengthen the management on energy efficiency, so as to reduce the generation of electricity by nuclear power, consider new fuel mix for power generation and assess the threat constituted by the proportion of nuclear power in the fuel mix to Hong Kong. Only with such comprehensive information can the public decide the proportion of nuclear power to be used for power generation. Nevertheless, we hold that in the absence of any study or discussion, it is inappropriate to completely shelve the proposal of increasing the proportion of imported nuclear power in the fuel mix for power generation to about 50%. We thus cannot support their amendments.

Mr Albert CHAN requests that the Central Government should immediately stop all nuclear power projects which are being planned and nuclear power plants which are being constructed, and progressively close down the existing nuclear power plants. We think that there are still merits for using nuclear power to generate electricity. Before nuclear electricity can be completely replaced, the safety level of nuclear power plants should be enhanced. Thus, nuclear power cannot be completely replaced for the time being. Moreover, these nuclear power plants are national infrastructures, the construction or closing down of such facilities should be up to the Central Government to decide. The DAB will thus vote against his amendment.

In addition, I wish to reiterate Mr Tommy CHEUNG's amendment. In particular, he urges that the SAR Government should closely monitor the impact of the catastrophic crisis in Japan on various industries in Hong Kong, and re-launch the Special Loan Guarantee Scheme to provide appropriate assistance

to Hong Kong's small and medium enterprises (SMEs) which are facing operating difficulties. In view of the fact that the earthquake and the nuclear crisis in Japan may pose a business hurdle to SMEs in Hong Kong, I consider that Mr Tommy CHEUNG's proposal merits the authorities' attention.

President, I so submit.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I would like to thank Members for their valuable views on the motion. I will try to give a general response to Members' views in areas related to the economy, finance, trade and tourism.

Regarding the impacts on our economy, given the close ties between Japan and Hong Kong, the massive earthquake in Japan will inevitably have negative impacts on Hong Kong's economy, trade and tourism. As the development of the incident in Japan remains uncertain, it is difficult to assess at this stage the exact impacts on our economy. However, the proportion of Hong Kong's total exports of goods taken up by Japan and the proportion of Japanese travellers among the total number of travellers to Hong Kong have been declining year after year. Besides, we mainly owe our recent robust economic performance to the robust economic growth of the Mainland and other Asian regions. I believe these factors will help reduce the negative impacts of the incident in Japan on our economy.

Insofar as the financial market is concerned, although there have been fluctuations in the local stock and foreign exchange markets because of investors' heightened risk aversion, the banking system, the currency, foreign exchange and stock market in Hong Kong are operating normally; besides, the incident in Japan does not have much impact on local insurance companies.

Concerning the Hong Kong dollar exchange rate, the HK-US dollar spot exchange rate was once weakened, following other Asian currencies. Nevertheless, the orderly operation of the Hong Kong dollar money market has continued, the liquid capital in the local inter-bank market has continued to remain adequate while the monetary base has remained stable.

Concerning the banking sector, the claims of banks in Hong Kong against Japan account for around 4% of the total assets of our banking system. The total amount of almost HK\$ 500 billion is dispersed among different banks, and the counterparties are very often the Japanese Government or large enterprises in Japan. From a regulatory perspective, the risks have not aroused concern at this stage. After the disaster, the Hong Kong Monetary Authority (HKMA) has maintained close contacts with the Hong Kong branches of Japanese banks to ensure that these organizations can operate as usual. Information from the HKMA shows that the operation of these organizations has remained smooth, and the Japanese head office has formulated a range of contingency measures, such as moving foreign exchange and financing operations out of areas that may be affected by the disaster, for the sake of ensuring that the branches in various areas and overseas (including Hong Kong) can operate as usual.

Furthermore, the Government will maintain contacts with the financial regulators so that various organizations can obtain comprehensive information and take suitable responsive measures when necessary.

As regards export trade, the total volume of trade between Hong Kong and Japan amounted to HK\$435.8 billion in 2010. To understand the possible impacts of the incident in Japan on our import and export trade, the Government has contacted the sector and trade organizations, as well as the business organizations related to major import and export items. Basing on the preliminary views of the sector, the major items traded between Hong Kong and Japan, including telecommunications apparatus and equipment, electrical machinery and apparatus, jewellery and clothing may be affected in the short run; yet, the incident has different impacts on different sectors.

On the basis of our preliminary estimates, there may be fewer impacts as we do not rely on a single supplier for the production of telecommunications equipment. However, the production of electrical products may be affected since the parts for the production of electrical products mainly come from the eastern provinces in Japan. The sector expects a drop in the sale of jewellery products in Japan; nevertheless, since the jewellery products of Hong Kong are mainly exported to the European, the United States and Mainland markets, it is estimated that the disaster in Japan will not have significant impacts on the overall turnover of the jewellery sector.

As Mr WONG Ting-kwong has remarked, as Japan is the major supplier of many crucial components and parts of different types of products (such as electronic products), the suspension of production and slowing of exports of components or parts owing to the massive earthquake and the power supply constraints in Japan may have negative impacts on the manufacturers of these products in various parts of the world. According to the preliminary estimates of the local sectors, our electronic and watch industries may be more deeply affected. Nonetheless, the electronic components and parts from Japan, including the producers of electronic parts for use in the production of electrical products also carry out production overseas through outsourcing arrangements. In addition, South Korea and Taiwan can supply some electronic components and parts. Hence, it is estimated that the blow dealt to local business sector will not be too heavy.

Mr Tommy CHEUNG has mentioned that Japan is an important supplier of watch movements. The shortage in the supply of the parts will affect the manufacture and sale of local watches. However, it is expected that the impacts will be rather limited because the disaster-affected areas in Japan are not the main production bases.

The SAR Government will continue to monitor the situation in Japan, and will release through various channels the latest developments and information about the massive earthquake in Japan and other connected events. It will also contact major business associations and sectors in Hong Kong to find out if Hong Kong businessmen have encountered difficulties in the course of export trade with Japan.

On the whole, our consumer market for Japanese products mainly includes products such as household electrical appliances, telecommunications, audio-visual products and computer products. The market share of these imported products in the import market in Hong Kong is less than 10%. The main source areas of these imported products are Mainland China, Singapore and Taiwan, and their total market share in each type of products reaches 60%. For this reason, if Japan reduces the export of these products, even though there will be certain impacts on the local market, we believe that local importers will arrange additional supply from other suppliers in light of market changes.

The Government is very much concerned about the impacts of the earthquake in Japan on the tourism sector. Japan is a popular tourism destination for Hong Kong people; more than 500 000 Hong Kong people visited Japan last year, 13.2% more than the number in 2009. Since the earthquake has caused damages and instability in Japan, the tourism sector has decided to cancel all tours to Japan departing before 15 April. The travellers can choose to have the agents keeping their tour fees for half a year or to take back the tour fees after the deduction of \$300 handling charges. We are grateful to the sector for giving priority to the safety of travellers and making the decision to make tour adjustments. We will pay close attention to the impacts of the incident on outbound tours from Hong Kong.

The number of Japanese travellers to Hong Kong exceeded 1.3 million in 2010, which accounted for 3.7% of the total number of travellers to Hong Kong. The Hong Kong Tourism Board (HKTB) would pay close attention to the developments in Japan and the response of the tourism sector in Japan, with a view to assessing the impacts of the incident on the desire of Japanese travellers coming to Hong Kong. When the market situation improves, the HKTB will step up publicity once again so as to attract Japanese travellers to Hong Kong. Also, the HKTB will continue to make efforts to attract travellers from the Mainland, other Asian regions and long-haul markets to Hong Kong. The HKTB and the sector will jointly launch promotions to attract Mainland travellers to Hong Kong. In particular, they will seize the opportunities offered by the fairly long Labour Day holidays on the Mainland in May. The HKTB will launch large-scale summer promotion activities in June, pinpointing the Mainland and short-haul markets, especially targeting young and family travellers from Southeast Asia, so as to attract them to travel to and spend money in Hong Kong during the summer vacation.

I have also heard Mr IP Wai-ming express his concern about tour guides in Hong Kong serving Japanese travellers. I am going to reflect his views to the sector, hoping that these tour guides can switch to serve non-Japanese travellers and that their work will have a broader scope.

Mr WONG Ting-kwong is worried about the impacts of the incident in Japan on the business of Japanese restaurants in Hong Kong, and that it may also affect the livelihood of industry players. For this purpose, the Labour Department will closely monitor the impacts of the incident in Japan on the

employment of employees of Japanese restaurants in Hong Kong. The Labour Department has set up a catering industry recruitment centre to help the affected employees find work. At present, there are approximately 10 000 registered catering industry vacancies. Between now and late May, the employees concerned can attend on-the-spot interviews at the job fairs of the catering industry recruitment centre.

The Government is concerned about the impacts of the cancellation of tours to Japan on travel agents and members of the tourism industry. According to our understanding, travel agents have proactively publicized and arranged for the affected travellers to join tours to other destinations such as Southeast Asia. On the one hand, local travellers will not need to cancel their outbound travel plans because of the earthquake in Japan; on the other hand, the affected tour guides can temporarily switch to other outbound tours to make up for their losses during the tour suspension period. The Government will maintain close contacts with the tourism sector and closely monitor the impacts of the situation in Japan on the tourism sector. It will introduce certain measures to help the sector when necessary.

As regards support to enterprises, the Government understands that the incident in Japan may cause changes in the market environment and create operational difficulties and challenges for enterprise, especially SMEs. Thus, we are now providing support for the sectors through various channels.

Regarding import and export credit insurance, Japan is among the top eight countries covered by the Hong Kong Export Credit Insurance Corporation (ECIC). So far, the ECIC has not received requests from exporters or insured parties seeking for help due to the impacts of the massive earthquake in Japan. No insured parties have reported failure to receive payments after the shipment of goods to Japan or cases where losses may be incurred because the clients have refused to take delivery or have suspended orders. At present, the ECIC has only received four enquiries from the insured parties about whether the ECIC will change the underwriting policy for the Japanese market.

To help Hong Kong exporters assess if the payment capability of buyers in Japan will be affected by the massive earthquake, the ECIC provides exporters with credit advisory services, making recommendations on the form of and limits on credit. If Hong Kong exporters want to understand the latest situation of buyers in Japan, they can contact the ECIC or make use of the EC-link on the

ECIC website. They are offered free quotations and they can submit policy applications online. The services include buyer credit investigations and they can get the ECIC's recommendations about the credit limits for buyers in Japan, thereby understanding the risks in extending credit.

As regards small and medium enterprises (SMEs) that have been affected, if they have cash flow problems, they can apply for loans from lenders participating in the SME Loan Guarantee Scheme of the Trade And Industry Department or the SME Financing Guarantee Program introduced by the Hong Kong Mortgage Corporation Limited early this year.

Some Members have touched upon the Special Loan Guarantee Scheme that has just stopped accepting applications. When the Government launched the Scheme in late 2008, it clearly stated that it was a time-bound scheme including extraordinary measures taken during an extraordinary period. Since most of the credit risks are borne by taxpayers, we must strike a balance between using public funds properly and assisting enterprises. We have recently understood from the banking sector that the credit market is operating normally and lenders have not tightened credit during the global financial crisis. Furthermore, the credit applications and bad debts of SMEs have not obviously increased. Hence, we do not have any plans to re-introduce the Special Loan Guarantee Scheme.

The Trade and Industry Department and the Hong Kong Trade Development Council (HKTDC) will remain concerned about the latest developments. As Mr WONG Ting-kwong has said, they will also provide timely market information for local enterprises. Also, the HKTDC will provide assistance to companies seriously affected by the massive earthquake in Japan, especially companies with business highly concentrated in the Japanese market, so that they can diversify their business to Mainland China or other markets with potential. We will also launch funding schemes specifically for buyers targeting the Japanese market. In the next few months, we will attract more Japanese buyers to procure products at the exhibitions of the HKTDC. As a redevelopment project will be launched in Japan in the future, large amounts of capital and goods would be imported. The HKTDC will pay attention to the situation and assist Hong Kong companies in grasping the business opportunities arising from the redevelopment project.

Ms Cyd HO has just asked if inflationary pressure will be affected by food prices in Japan. In 2010, the food that Hong Kong imported from Japan was worth HK\$ 6.1 billion, and accounted for only 2% of our total imports from Japan. Evidently, the market share of food imported from Japan in the markets for the above products is not big. Hong Kong is an open economy with highly diversified food sources, and consumers have many choices. I believe that the incident in Japan will not cause a substantial shortage of fresh ingredients in Hong Kong. So, there will not be considerable impacts on inflation. Currently, inflation in Hong Kong is mainly affected by factors such as world food prices, local rents and higher inflation in Asia. Yet, we will monitor whether the development of the incident will increase the inflationary pressure in Hong Kong.

President, I would like to restate that the Government is very much concerned about the possible changes to the global economic outlook as a result of the massive earthquake in Japan. The Policy Bureaux and government departments concerned will closely monitor the financial, economic, trade and tourism areas, maintain contacts with the sectors and give timely responses.

I so submit. Thank you, President.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, please allow me to spend five minutes on a brief response. First, I would like to thank Mr WONG Ting-kwong for moving this motion for debate today and I would also like to thank Members for their participation. I find this discussion useful and timely. On the one hand, it allows us to express concern and sympathy to the victims in Japan; on the other hand, it allows us to engage in reasonable analyses and objective discussions, as well as express our views on the impacts of the disaster in Japan and the Fukushima incident on Hong Kong and the worries of the public, with a view to seeking a pragmatic way out.

As I have just said, Hong Kong people basically have three kinds of worries after the incident in Japan. First, whether nuclear radiation in Japan will affect the health of Hong Kong residents. Summing up Members' views, I think a very explicit message is that the Government must play a good role in gate-keeping, that is, it must continue to conducting tests on food, water, air, cargo and people so as to alleviate the worries of the public.

Moreover, many Members have mentioned that the release of information must be timely and transparent. Some Members support the approach adopted by the Government in the past few weeks, and we will continue to adhere to this approach. Taking the Hong Kong Observatory (HKO) as an example, the Director of the HKO held a briefing at around 3 pm this afternoon to clarify a misunderstanding that the public may have. I know that some Members may not have the chance to attend as this meeting is still in progress. The Director has clearly explained why the recent tests on the minute amount of nuclear radiation have taken a longer time. Members can access the HKO's website after this meeting; if necessary, I would be pleased to present Members with the information for perusal.

We will continue to adopt the approach of making clarification by various departments if so required. We will make our best efforts to explain to the public, hoping that the public will not have unnecessary worries because they do not understand the situation or have misunderstandings. We will continue to play our gatekeeper's role and make notifications in this connection.

Second, in view of the nuclear leakage incident in Fukushima, Hong Kong people worried about the occurrence of nuclear incidents in our neighbouring areas, such as the Daya Bay Nuclear Power Station. Members considered it essential for making adequate contingency arrangements, including drills. In this respect, the Security Bureau has made some preparations, and it has promised during previous meetings with the Legislative Council that it would strength preparations for the upcoming drill. I will not repeat my views in this area; I have already paid heed to public's views and the views expressed by Members.

In respect of the notification systems of the Daya Bay Nuclear Power Station and other nuclear power plants nearby, we will continue to enhance mutual understanding between Hong Kong and the Mainland and strengthen the notification systems. We have succeeded in strengthening the notification mechanisms before. We will continue to adopt this approach and we will find out more about national safety standards and the enhancement of such standards in connection with the existing nuclear power plants, as well as all nuclear power facilities under construction and being planned. In addition, we will be concerned about the international development of nuclear safety, thereby enhancing understanding and notification.

Third, whether the use of nuclear power should be changed in light of the incident in Japan and the proportion of nuclear power in the overall energy, as Members have mentioned. I understand very well the views expressed by Members, and most Members have practically expressed that they understand that there are priorities insofar as energy is concerned, and there are merits and demerits.

The future energy mix cannot be in a specified form only, and we must do something at source such as energy saving. I can assure Members that, in the past five years, Hong Kong had a 13% economic growth while the demand for energy only increased by 3%. Yet, we actually need to make great efforts if we wish to reduce energy consumption while maintaining economic growth. I hope that other measures to turn waste into energy, including the planned construction of an integrated waste treatment facility, can turn into an energy project, and I hope that Members will support me.

In summing up, I understand that we cannot make a hasty decision right now in one stroke. Hence, the Government promises to conduct in-depth studies in this area and will discuss this issue with Members again at the right time.

I thank Members again for their views and I hope that they will support the motion moved by Mr WONG Ting-kwong, as well as the views he has just expressed on the various amendments and amendments to amendments.

Thank you, President.

PRESIDENT (in Cantonese): I now call upon Mr Frederick FUNG to move the amendment to the motion.

MR FREDERICK FUNG (in Cantonese): President, I move that Mr WONG Ting-kwong's motion be amended.

Mr Frederick FUNG moved the following amendment: (Translation)

"To delete "since" after "That," and substitute with "given that"; to delete "has" after "11 March" and substitute with "and the resultant tsunami and nuclear power crisis have"; and to add "; and the SAR Government should

also learn a lesson from the worldwide panic caused by the recent nuclear power incident in Fukushima, and completely shelve the proposal of increasing the proportion of imported nuclear power in the fuel mix for power generation to about 50%, and on the premise of conserving energy and developing renewable energy, formulate afresh a future fuel mix for power generation in order to achieve the objective of emission reduction" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr WONG Ting-kwong's motion, be passed.

PRESIDENT (in Cantonese): I now call upon Mr Jeffrey LAM to move an amendment to Mr Frederick FUNG's amendment.

MR JEFFREY LAM (in Cantonese): President, I move that Mr Frederick FUNG's amendment be amended.

Mr Jeffrey LAM moved the following amendment to Mr Frederick FUNG's amendment: (Translation)

"To delete "completely shelve" after "Fukushima, and" and substitute with "review"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Jeffrey LAM to Mr Frederick FUNG's amendment, 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 KAM Nai-wai rose to claim a division.

PRESIDENT (in Cantonese): Mr KAM Nai-wai has claimed a division. The division bell will ring for three 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:

Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Mr CHEUNG Man-kwong and Dr Joseph LEE voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG, Miss Tanya CHAN, Mr Albert CHAN and Mr WONG Yuk-man 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, 19 were present, 17 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 10 were in favour of the amendment and 17 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Concern about the impact of the earthquake in Japan on Hong Kong" 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 Ms Miriam LAU 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 "Concern about the impact of the earthquake in Japan on Hong Kong" 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 put the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr WONG Ting-kwong's motion, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong and Dr Joseph LEE voted for the amendment.

Dr Philip WONG, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG and Prof Patrick LAU voted against the amendment.

Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Jeffrey LAM, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr Alan LEONG and Miss Tanya CHAN voted for the amendment.

Dr Priscilla LEUNG and Mrs Regina IP voted against the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Albert CHAN and Mr WONG Yuk-man abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 19 were present, two were in favour of the amendment, six against it and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 15 were in favour of the amendment, two against it and 10 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Albert CHAN, you may move your amendment.

MR ALBERT CHAN (in Cantonese): President, I move that Mr WONG Ting-kwong's motion be amended.

Mr Albert CHAN moved the following amendment: (Translation)

"To add "given that" after "That,"; and to add "; this Council also requests that the Central Government should: (a) strengthen in the immediate future the monitoring of nuclear power plants which are in operation; (b) immediately stop all nuclear power projects which are being planned and nuclear power plants which are being constructed; and (c) in the long run, progressively close down the nuclear power plants which are in operation, so as to immune several hundred million nationals from the threat of nuclear power incidents" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Albert CHAN to Mr WONG Ting-kwong's motion, be passed.

PRESIDENT (in Cantonese): I now call upon Prof Patrick LAU to move the amendment to Mr Albert CHAN's amendment.

PROF PATRICK LAU (in Cantonese): President, I move that Mr Albert CHAN's amendment be amended.

Prof Patrick LAU moved the following amendment to Mr Albert CHAN's amendment: (Translation)

"To delete "requests that the Central Government should" after "this Council also" and substitute with "urges the SAR Government to reflect to the Central Government that it should"; to delete "stop" after "(b) immediately" and substitute with "conduct a comprehensive inspection of"; to add ", carry out safety assessments based on the most stringent standards, immediately halt the construction of those which do not meet safety standards, and suspend vetting and approving new nuclear power projects before the approval of safety plans" after "constructed"; to delete "in the long run, progressively close down the" after "(c) " and substitute with "strengthen the safety and operational management of"; and to delete "so as to immune several hundred million" before "nationals" and substitute with "and adopt relevant measures to ensure their absolute safety, so as to immune"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Prof Patrick LAU to Mr Albert CHAN's amendment, 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 CHEUNG Man-kwong, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr WONG Ting-kwong, Prof Patrick LAU, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyau, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Dr LAM Tai-fai voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Mr LAU Kong-wah, Ms Emily LAU, Mr TAM Yiu-chung, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-kin, Mrs Regina IP, Mr Alan LEONG and Miss Tanya CHAN voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr Albert CHAN and Mr WONG Yuk-man 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, 19 were present, 18 were in favour of the amendment and one against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 22 were in favour of the amendment and five 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): I now put the question to you and that is: That Mr Albert CHAN's amendment, as amended by Prof Patrick LAU, to Mr WONG Ting-kwong's motion be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Members have already been informed, as Mr Albert CHAN's amendment, as amended by Prof Patrick LAU, has been passed, Mr KAM Nai-wai and Mr James TO have therefore withdrawn their amendments. Mr Abraham SHEK therefore may not move his amendment to Mr KAM Nai-wai's amendment and Mr LAU Kong-wah also may not move his amendment to Mr James TO's amendment.

PRESIDENT (in Cantonese): Ms Audrey EU, as Mr Albert CHAN and Prof Patrick LAU's amendments have been passed, you may now move your revised amendment.

MS AUDREY EU (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Mr Albert CHAN and Prof Patrick LAU be further amended by my revised amendment.

Ms Audrey EU moved the following further amendment to the motion as amended by Mr Albert CHAN and Prof Patrick LAU: (Translation)

"To add "; the SAR Government should also review afresh its nuclear power policy; and starting from primary school, comprehensively step up public education on the general knowledge about nuclear power risks, nuclear power safety and ways to respond to nuclear power incidents; increase the depth and breadth of nuclear power safety drills; study the setting up of fallout shelters; and conduct study on improving the notification mechanisms for nuclear power risks and nuclear power safety among the International Atomic Energy Agency and the various governments in East Asia (including Taiwan)" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Audrey EU's amendment to Mr WONG Ting-kwong's motion as amended by Mr Albert CHAN and Prof Patrick LAU be passed.

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

(Members raised their hands)

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

(No hands raised)

Mr TAM Yiu-chung rose to claim a division.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, have you casted your vote?

(Mr CHEUNG Man-kwong pressed the button to cast his vote)

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Prof Patrick LAU and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr WONG Kwok-kin, Mrs Regina IP, Mr Alan LEONG and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr Albert CHAN and Mr WONG Yuk-man abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 19 were present, nine were in favour of the amendment and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 18 were in favour of the amendment and nine abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, as Mr Albert CHAN and Prof Patrick LAU's amendments have been passed, you may now move your revised amendment.

MR TOMMY CHEUNG (in Cantonese): President, I move that Mr WONG Ting-kwong's motion as amended by Mr Albert CHAN and Prof Patrick LAU be further amended by my revised amendment.

Mr Tommy CHEUNG moved the following further amendment to the motion as amended by Mr Albert CHAN and Prof Patrick LAU:
(Translation)

"To add "; at the same time, the SAR Government should closely monitor the impact of the disastrous crisis in Japan on the various industries in Hong Kong, and by making reference to the Special Loan Guarantee Scheme launched in response to the financial tsunami, provide appropriate assistance to Hong Kong's small and medium enterprises which are facing operating difficulties; put in place a permanent mechanism for conducting sustained safety tests on food products imported from Japan, and continue

to announce on a regular basis the details of the relevant surveillance information with a high degree of transparency; and by making reference to the contingency arrangements for nuclear power incidents in other places, plan for emergency fallout shelters at appropriate locations in Hong Kong, particularly in the East New Territories region which is relatively close to the Daya Bay Nuclear Power Station, and stock up relevant emergency supplies, so as to cope with any possible accidents occurred at the nuclear power station" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Tommy CHEUNG's amendment to Mr WONG Ting-kwong's motion as amended by Mr Albert CHAN and Prof Patrick LAU be passed.

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

(Members raised their hands)

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

(No hands raised)

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 amendment passed.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, as Mr Albert CHAN, Prof Patrick LAU and Mr Tommy CHEUNG's amendments have been passed, you may now move your revised amendment.

MR WONG KWOK-HING (in Cantonese): President, I move that Mr WONG Ting-kwong's motion be amended by Mr Albert CHAN, Prof Patrick LAU and Mr Tommy CHEUNG.

PRESIDENT (in Cantonese): You should move that the motion be further amended by your revised amendment. *(Laughter)*

Mr WONG Kwok-hing moved the following further amendment to the motion as amended by Mr Albert CHAN, Prof Patrick LAU and Mr Tommy CHEUNG: (Translation)

"To add "; the SAR Government should also popularize and enhance people's knowledge about nuclear power generation, and raise the public's understanding of ways to respond to the nuclear power incidents, thereby eliminating irrational fear and reinforcing the knowledge and capability of all members of the public about their safety protection against radiation contamination; this Council also expresses its deep condolences to the affected Japanese people" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Kwok-hing's amendment to Mr WONG Ting-kwong's motion as amended by Mr Albert CHAN, Prof Patrick LAU and Mr Tommy CHEUNG be passed.

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

(Members raised their hands)

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

(No hands raised)

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 amendment passed.

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, you may now reply and you have one minute 16 seconds.

MR WONG TING-KWONG (in Cantonese): President, through the motion debate today, I urge the authorities to step up their efforts in various aspects to enhance the transparency of information. They should also step up publicity of and public education on nuclear power. 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 Mr Albert CHAN, Prof Patrick LAU, Mr Tommy CHEUNG and Mr WONG Kwok-hing be passed.

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

(Members raised their hands)

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

(No hands raised)

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

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9 am tomorrow.

Suspended accordingly at twenty-four minutes past Ten o'clock.

FOOD SAFETY BILL

COMMITTEE STAGE

Amendments to be moved by the Secretary for Food
and Health

<u>Clause</u>	<u>Amendment Proposed</u>
2	By deleting the definition of "drug".
2	In the definition of "food", by deleting paragraph (h) and substituting - "(h) medicine as defined by section 2(1) of the Pharmacy and Poisons Ordinance (Cap. 138) or Chinese herbal medicine or proprietary Chinese medicine as defined by section 2(1) of the Chinese Medicine Ordinance (Cap. 549);".
2	In the Chinese text, by deleting the definition of "批發" and substituting - ""批發" (wholesale) 指向符合以下說明的人供應食物：該人取得該食物的目的，是在該人經營的業務的運作中，向第三者供應該食物，或是安排向第三者供應該食物；".

- 2 In the Chinese text, in the definition of “飲品”,
by deleting “不包括不屬下列類別的水” and substituting
“不包括水，但以下類別的水除外”.
- 2 In the Chinese text, in the definition of “職能”,
by deleting the semicolon and substituting a full
stop.
- 3 In the Chinese text, by deleting subclause (1)
and substituting -
“(1) 本條例就任何非擬供人食用的食物而言，並不
適用。”.
- 3 In the Chinese text, by deleting subclause (3)
and substituting -
“(3) 在不局限第(1)或(2)款的原則下，本條例就在
圈養狀態下繁殖或培育生長的活水產而言，並不適用。”.
- 30(2) In the Chinese text, by deleting paragraph (b)
and substituting -
“(b) 對公眾衛生所承受的危險的任何不良後果，予以緩
解，”.

- 54(1) In the Chinese text, by deleting “對其妨礙、抗拒，或對其使用粗言穢語” and substituting “妨礙、抗拒或辱罵該人”.
- 64(1)(a) By deleting “by repealing “不屬於” and substituting “不屬”” and substituting “by repealing “不包括不屬於下列類別的水” and substituting “不包括水，但以下類別的水除外””.
- 64(2) In the proposed definition of “food”, by deleting paragraph (h) and substituting -
- “(h) medicine as defined by section 2(1) of the Pharmacy and Poisons Ordinance (Cap. 138) or Chinese herbal medicine or proprietary Chinese medicine as defined by section 2(1) of the Chinese Medicine Ordinance (Cap. 549);”.
- 67 By adding -
- “(3) Section 67 is amended by adding -
- “(4) The presumptions in subsection (1) do not apply to live aquatic products that are in captivity for the purposes of propagation or promotion of growth.”.”.

New

By adding -

"69A. Section 139 amended (Obstruction of officers in the exercise of their duty)

Section 139 is amended, in the Chinese text, by repealing "對其妨礙、抗拒，或對其使用粗言穢語" and substituting "妨礙、抗拒或辱罵該人".