

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 18 May 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

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

THE HONOURABLE LEE CHEUK-YAN

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:

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

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE HENRY TANG YING-YEN, G.B.M., G.B.S., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE HONOURABLE STEPHEN LAM SUI-LUNG, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

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

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

PROF GABRIEL MATTHEW LEUNG, J.P.
UNDER SECRETARY FOR FOOD AND HEALTH

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

| Subsidiary Legislation/Instruments | <i>L.N. No.</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) (Japan) Order..... | 64/2011 |
| Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital) (French Republic) Order | 65/2011 |
| Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital) (Principality of Liechtenstein) Order | 66/2011 |
| Inland Revenue (Double Taxation Relief and Prevention of Fiscal Evasion with respect to Taxes on Income) (New Zealand) Order | 67/2011 |
| Specification of Arrangements (Government of the Grand Duchy of Luxembourg) (Avoidance of Double Taxation on Income and Capital and Prevention of Fiscal Evasion) (Amendment) Order 2011 | 68/2011 |
| Road Traffic (Public Service Vehicles) (Amendment) Regulation 2011 | 69/2011 |
| Professional Accountants (Amendment) Bylaw 2011 | 70/2011 |
| Electoral Affairs Commission (Registration) (Electors for Legislative Council Functional Constituencies) (Voters for Election Committee Subsectors) (Members of Election Committee) (Amendment) Regulation 2011 | 71/2011 |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Electoral Affairs Commission (Nominations Advisory Committees (Legislative Council)) (Amendment) Regulation 2011 | 72/2011 |
| Electoral Affairs Commission (Electoral Procedure) (Legislative Council) (Amendment) Regulation 2011 | 73/2011 |
| Electoral Affairs Commission (Electoral Procedure) (District Councils) (Amendment) Regulation 2011 | 74/2011 |
| Electoral Affairs Commission (Electoral Procedure) (Election Committee) (Amendment) Regulation 2011 | 75/2011 |
| Electoral Procedure (Chief Executive Election) (Amendment) Regulation 2011 | 76/2011 |
| Electoral Procedure (Village Representative Election) (Amendment) Regulation 2011 | 77/2011 |
| Particulars Relating to Candidates on Ballot Papers (Legislative Council and District Councils) (Amendment) Regulation 2011 | 78/2011 |
| Electoral Affairs Commission (Financial Assistance for Legislative Council Elections and District Council Elections) (Application and Payment Procedure) (Amendment) Regulation 2011 | 79/2011 |
| Pension Benefits Ordinance (Established Offices) (Amendment) Order 2011 | 80/2011 |
| Places for Autopsies (Amendment) Order 2011 | 81/2011 |
| Buildings Energy Efficiency Ordinance (Commencement) Notice 2011 | 82/2011 |

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|---------------------------------------------------------------------------------------------------------------------|---------|
| Legal Aid Ordinance — Resoluton of the Legislative Council (Commencement) Notice | 83/2011 |
| Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2011 (Commencement) Notice | 84/2011 |

Other Papers

No. 91 — Early Retirement Ex-gratia Payment Fund for Aided
Secondary School Teachers
Financial statements together with the Director of Audit's
report for the year ended 31 August 2010

No. 92 — The Government Minute in response to the Report of the
Public Accounts Committee No. 55 of February 2011

Report No. 22/10-11 of the House Committee on Consideration of
Subsidiary Legislation and Other Instruments

ADDRESSES

PRESIDENT (in Cantonese): Address. The Chief Secretary for Administration will address the Council on "The Government Minute in response to the Report of the Public Accounts Committee No. 55 of February 2011".

The Government Minute in response to the Report of the Public Accounts Committee No. 55 of February 2011

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, laid on the table today is the Government Minute (GM) responding to Report No. 55 of the Public Accounts Committee (PAC).

When presenting Report No. 55 on 16 February, the Chairman of PAC set out comments on three chapters in the Director of Audit's Reports, *viz*

Administration of the Direct Subsidy Scheme and Governance and administration of Direct Subsidy Scheme schools, Residential treatment and rehabilitation services for drugs abusers, and The Community Investment and Inclusion Fund. We are grateful for the time and efforts that the PAC has devoted. We accept the PAC's various recommendations and Government's specific response is set out in the GM. Today, I would like to highlight key measures we have taken in the relevant areas.

The Administration agrees that the recommendations made by the PAC on the administration of the Direct Subsidy Scheme (DSS) and the governance and administration of DSS schools are conducive to the sustained improvements to the implementation of the scheme. We also consider that the recommendations can help DSS schools attain good governance.

In response to the PAC's concerns and recommendations, the Education Bureau has been taking follow-up actions at two levels. First, the Education Bureau has followed up the malpractices and irregularities identified in individual DSS schools and as of now most of the cases have been settled. Second, the focus is being placed on improving the mechanisms at both the operational and system levels.

Regarding the improvement measures at the operational level, the Education Bureau has put in place a systematic risk analysis mechanism whereby different aspects of schools will be taken into account for selecting schools for audit purpose in order to improve the existing monitoring mechanism. The Education Bureau has also stepped up measures to closely monitor and follow up with schools to ensure that they have promptly and properly rectified the malpractices identified in audit inspections. These measures include conveying the findings to the school management committees/incorporated management committees and conducting follow-up audit inspections. In addition, the Education Bureau will further strengthen its internal co-ordination and communication mechanism. In future, an annual report summarizing the findings of the annual audited accounts submitted by DSS schools and the audit inspections will be tabled for discussion by a standing task force chaired by a Deputy Secretary for Education. This will enable the Education Bureau to have a holistic view of the financial arrangement of DSS schools and ensure that schools will follow up various improvement measures effectively and comply with the relevant provisions in a timely manner. At the same time, the

Education Bureau will improve the mechanism for reporting key issues relating to DSS schools to the Secretary and the Permanent Secretary, and will carry out the improvement measures progressively.

Regarding the improvement measures at the system level, the Education Bureau is guided by the need to enhance transparency, governance and communication of DSS schools. A Working Group on Direct Subsidy Scheme, chaired by the Permanent Secretary for Education, has been set up for this purpose. The Working Group comprises six members from the private sector with expertise in corporate governance, financial and human resource management as well as other relevant experience, and four subject officers from the Education Bureau. The Working Group's major responsibilities are to review the administration of the DSS as well as the governance and administration systems of DSS schools, and to recommend measures for their continuous improvement. The Working Group has already started its work and its priority is to explore feasible measures to improve the existing mechanism for monitoring DSS schools' implementation of their school fee remission/scholarship schemes, with a view to ensuring that no students, including those receiving Comprehensive Social Security Assistance, will be deprived of the opportunity to attend DSS schools because of financial difficulties. Other issues to be reviewed by the Working Group include the governance structure, internal control, financial management, the school fee remission/scholarship schemes of DSS schools, and so on. The Working Group will also seek views from DSS schools and other stakeholders, and will submit its report to the Secretary for Education by the end of 2011. In the meantime, the Education Bureau will report progress to the Panel on Education of the Legislative Council.

The Administration accepts the comments of the PAC in respect of the residential treatment and rehabilitation services for drug abusers.

As always, the Administration strives to deal with anti-drug policies and co-ordination effectively at an appropriate level. The Narcotics Division, under the leadership of the Secretary for Security, is responsible for policy formulation and co-ordination across bureaux/departments and with the non-governmental organization (NGO) sector.

As and when necessary, leadership would be taken up at even more senior levels, as in the case of the Task Force chaired by the Secretary for Justice in 2007-2008, and the escalated community-wide anti-drug campaign led personally by the Chief Executive in 2009.

An inter-departmental working group led by the Security Bureau and involving key government parties has been in place and strengthened.

To tackle the gradual shift from heroin to psychotropic substances in the drug abuse trend especially among youngsters, the Government has since 2008-2009 substantially enhanced treatment and rehabilitation services. From 2011-2012, the additional recurrent provision amounts to some \$140 million per annum.

As part of its contribution to collaborative efforts across the Administration, the Education Bureau has increased by 40% the level of subvention to education programmes for school-aged drug abusers receiving residential treatment.

In respect of voluntary residential services, 39 out of the 40 treatment centres have re-engineered their programmes to serve psychotropic substance abusers, who have become the major users of the centres. We are actively taking steps to assist the remaining one to re-engineer its services and improve its utilization.

To address the PAC's concerns about uneven workload among centres, the Social Welfare Department (SWD) updates probation officers on a quarterly basis the centres' occupancy rates and programmes, which may help them draw up recommendations of an appropriate centre for a probationer. The SWD is also monitoring on a monthly basis the probationers' waiting time for the centres.

On information sharing, the SWD has since April 2011 started to share with the Education Bureau every six months statistics collected during licensing inspections, which help provide a general overview on the distribution of school-aged drug abusers residing in treatment centres.

In respect of treatment centres on government land/premises, the Lands Department (Lands D) has completed inspection of all 11 centres which have land

grants or tenancy agreements, and confirmed with relevant departments support for their continued use for drug treatment purposes. Among them, two have low utilization rates, and the SWD has followed up with the NGOs concerned.

Regarding new applications for land grant or tenancy for treatment centre purpose, in future, the Lands D will consult the relevant bureaux or departments and include appropriate conditions in the land documents to ensure proper control and monitoring.

The Administration has continued to step up its efforts to assist the centre operators regarding licensing issues. We look forward to two treatment centres obtaining a full licence within the year, to be followed by another five in 2012.

To provide more adequate funding support to treatment centres in their redevelopment or reprovisioning projects, a new Special Funding Scheme under the Beat Drugs Fund will be launched shortly, raising the maximum amount of grant per project from \$3 million to \$50 million. The funding scope will also be expanded to help operators expedite the planning and construction processes.

We thank the PAC for its views and recommendations on improving the governance and administration of the Community Investment and Inclusion Fund (CIIF) as set out in its Report. The Labour and Welfare Bureau is taking follow-up actions together with the Community Investment and Inclusion Fund Committee (the CIIF Committee) and actively implementing the improvement measures to enhance the operation of the CIIF to ensure good governance.

We understand that the PAC was concerned about the pace of fund disbursement and the number of applications approved under the CIIF. In approving projects, the CIIF Committee takes into account a number of factors, including the prudent use of public funds and encouragement of creativity and participation of organizations, and so on. When the CIIF was first set up in April 2002, the Committee had made it clear that the seed money would be used to support projects that could foster the development of social capital while one-off activities and projects lacking long-lasting impact would not be supported. When assessing applications, the CIIF Committee will accord priority to the effectiveness of the projects in terms of promotion of multi-partite collaboration and sustainable development of social capital rather than focusing on the number of projects approved.

That said, we agree that the CIIF should continue to actively encourage more applications from eligible organizations so as to promote social capital. The CIIF has further enhanced its publicity and promotion efforts. Apart from strengthening co-operation with stakeholders in the districts, the CIIF has commissioned a consultant to conduct a half-yearly brand building exercise with a view to enhancing public understanding and recognition of the CIIF and social capital and encouraging joint participation and implementation of the social capital concept.

The CIIF handles all applications in a fair and impartial manner. To enable applicants to have a better understanding of the CIIF's requirements, the CIIF Secretariat regularly organizes briefing sessions, arranges grantees and prospective applicants to share their experience in the good modes of operation and implementation of successful projects, provides individual consultation service for applicants in need as well as reviews from time to time the possibility of streamlining administrative procedures. The CIIF Secretariat has also enhanced support services to grantees, including providing clear guidelines on reporting of project achievements, organizing sharing sessions and training workshops, as well as inviting academics to explain the prerequisites for effective implementation of social capital projects and developing effective assessment tools and methods.

We note that the PAC is concerned about the follow-up reviews upon expiry of the project funding period and the overall evaluation of the effectiveness and future directions of the CIIF. We will devise guidelines and framework for project assessment and put in place a mechanism for following up completed projects so as to ensure their sustainable development. As regards the CIIF's effectiveness in social capital development, we have commissioned independent consultants to conduct the second evaluation study of the CIIF which is expected to be completed in early 2012. Taking into account the target, scale and timing of the evaluation study, we are of the view that the independent consultants should continue with their work instead of conducting a self-evaluation in parallel before the completion of the independent evaluation to avoid duplication of resources and ensure the independence of the study. We will actively follow up the findings of the independent evaluation study and consider the future development of and injection into the CIIF in due course.

Finally, I would like to thank the PAC once again for its constructive comments and recommendations. The Administration will, as always, respond positively and implement them earnestly. Thank you.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): First question.

Odour Management of Landfills

1. **MS MIRIAM LAU** (in Cantonese): *President, it has been learnt that as the three existing landfills, namely the South East New Territories (SENT) Landfill, the North East New Territories Landfill and the West New Territories Landfill, will be exhausted in 2014, 2016 and 2018 respectively, the Government has planned to acquire land for landfilling at Tseung Kwan O Area 137 which is adjacent to the SENT Landfill, but it will study using the landfill only for handling construction waste. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints received by the authorities in the past three years about odour from various landfills; and whether they had assessed the impact of odour from landfills on human health; if they had, of the details and results of the assessment; if not, the reasons for that;*
- (b) *given that the authorities have planned to build an incinerator at Tsang Tsui in Tuen Mun, of the estimated distribution of the types of waste to be transported to the various landfills and the incinerator upon its commissioning, with a breakdown by type of waste; and*
- (c) *whether the authorities have put in place a testing mechanism to verify the effectiveness of the deodorization measures taken in the past; if they have, of the details; if not, the reasons for that; whether they will plan to introduce new deodorization technology in the future; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Good morning, President and Members. My reply is as follows:

- (a) Complaints about odour from the strategic landfills received by the Environmental Protection Department (EPD) over the past three years are as follows:

| | 2008 | 2009 | 2010 |
|-------------------------------------|------|------|------|
| North East New Territories Landfill | 0 | 0 | 0 |
| SENT Landfill | 747 | 548 | 753 |
| West New Territories Landfill | 3 | 10 | 6 |

The design and operation of all three existing landfills meet various very stringent environmental performance objectives and requirements and international standards. As such, they have no adverse impact on the environment and public health. Earlier on the EPD had completed the environmental impact assessment (EIA) for the extension of the three landfills, of which the air quality impact assessment included an assessment of the odour impact on the surroundings. The EIA reports show that with the implementation of various recommended mitigation measures, the air quality of the surrounding areas will meet the requirements of the relevant Hong Kong Air Quality Objectives.

- (b) To handle the sludge generated by sewage treatment works, the Government has started to construct a sludge treatment facility for treating sludge with incineration technology at Tsang Tsui in Tuen Mun. The plant is expected to be commissioned in late 2013, when all sludge generated by sewage treatment works will be delivered to the facility for treatment.

Separately, as part of its strategy for proper waste management, the Government also plans to build the Integrated Waste Management Facilities (IWMF) with a daily capacity of 3 000 tonnes. Using advanced incineration as the core technology, the facility will reduce the volume of municipal solid waste (MSW) treated by 90%. In 2008, we identified an artificial island off Shek Kwu Chau (SKC)

and Tsang Tsui Ash Lagoons as the potential sites for developing the IWMF. Detailed Engineering Investigation and EIA studies were conducted for these two potential sites. Taking into account the EIA report results, other factors relating to site selection and Hong Kong's overall waste management strategy, the Government has identified the artificial island near SKC as the preferred site for developing the first modern IWMF, subject to final approval of the EIA report. We plan to seek funding approval from the Finance Committee of the Legislative Council for the construction of the said facility in the first half of 2012. When the facility is commissioned, around 3 000 tonnes of MSW from the Hong Kong Island and West Kowloon transfer stations will be delivered to the IWMF for treatment using modern incineration technology while the remaining waste generated in the territory will be delivered to the three landfills for disposal.

- (c) Odour nuisance associated with landfilling operation has been assessed in detail during the project feasibility stage. Landfill contractors are required to implement the recommended mitigation measures under the contract during the construction and operation stages. These measures include odour avoidance and deodorization measures, for example, minimizing the size of the waste tipping area as far as possible, immediate compaction of the waste after tipping and covering up of the waste received with suitable materials (such as soil) before closing for the day. Such measures can prevent odour and minimize or avoid the nuisance caused by waste to the surroundings.

In addition to strict control of the landfilling operation by the contractors, the EPD also monitors the contractors' operation and carries out environmental monitoring to ensure their compliance with the stringent environmental performance requirements under the contracts as well as the statutory requirements in the relevant pollution control legislation.

We understand residents' concern over odour nuisance despite the very high international standards met by our current landfilling operation. Take the SENT Landfill as an example, over the past

four years, we have tightened the control over potential odour during waste reception and landfilling. New odour control technologies have been introduced to further minimize the potential odour impact of the landfill. Following an on-site test of the effectiveness of new technologies and a study on their feasibility, we have implemented a series of additional odour management and control measures, including covering the non-active tipping areas with temporary impermeable liner, putting a movable cover on the special waste trench, installing extra landfill gas extraction wells and mobile landfill gas flaring units, providing additional deodorizers and covering the tipping areas with a layer of soil as well as a layer of cement-based cover material called "Posi-Shell Cover" at the close of waste reception for the day. Separately, we are examining the application of "Posi-Shell Cover" to other non-active tipping areas with a view to further minimizing the impact of potential odour from landfill and ensuring environmental hygiene. We have also responded to the request from the Sai Kung District Council and introduced electronic odour detection system (that is, e-nose) in July 2010 for a trial period of 12 months for odour detection and measurement. All in all, we will continue to implement the above measures and, where possible, introduce new, feasible odour control measures.

Separately, since 25 August 2010 the EPD has stepped up the cleansing of Wan Po Road to mitigate the potential odour problem caused by dripping of wastewater from refuse collection vehicles. The section of Wan Po Road between the SENT Landfill and the roundabout at Hang Hau is cleansed from 8 am to 12 midnight daily. The EPD will regularly review the effectiveness of this measure. As refuse collection vehicles are one of the potential sources of odour, to improve the cleanliness of these vehicles leaving the landfill, the EPD will upgrade the existing facility for wheel washing to full-body vehicle washing facility to ensure that the entire body of every refuse collection vehicle is washed before leaving the landfill. The said facility is under construction and is expected to be operational in the second half of 2011. In the run-up to the commissioning of the full-body vehicle washing facility, the landfill contractor has since 3 September 2010 provided free vehicle body

washing for private refuse collection vehicles to minimize the odour nuisance caused by such vehicles during the delivery of waste.

MS MIRIAM LAU (in Cantonese): *President, it can be noted from the main reply that of the three existing landfills, the SENT Landfill has got the largest number of complaints for odour and it has increased over the past three years. The reason is very simple. The SENT Landfill is situated near large-scale residential developments and so the number of complaints has increased. It is not strange at all.*

Part (b) of the main reply responds to the question I asked in the main question about the types of waste that will be transported to various landfills after the incinerator is built. I can see that it seems the Secretary is saying that after the incinerator is built, all kinds of waste will be sent to the three landfills, instead of the reference in the introduction to the main question, that only construction waste will be handled in the SENT Landfill.

May I ask the Secretary if my understanding is correct? In other words, after the incinerator in Tuen Mun is completed in 2013, the extension to the SENT Landfill, that is, if the extension project is to continue, the Landfill will receive all kinds of waste. Though sludge is not included, it will receive many kinds of waste that will give a bad odour like food waste or other types of odour-giving waste and these kinds of waste will continue to be sent to the SENT Landfill. In other words, people living close to the SENT Landfill will have to continue to bear with such odour and there is no end to that. Secretary, is my description true and correct?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): *President, Ms Miriam LAU has pointed out in the introduction to her main question that after the extension to the SENT Landfill is completed, the Landfill will mainly be used to handle construction waste. Her understanding is correct.*

MS MIRIAM LAU (in Cantonese): *President, the Secretary has twisted my meaning. In the introduction I said "using the landfill only for handling construction waste", not "mainly be used to handle construction waste". He*

cannot twist the meaning of my remark. So I hope the Secretary can give a reply to this part. My supplementary question is: Of the kinds of waste sent to the SENT, would food waste which would create odour be included?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I think we have actually said in this Council and in recent discussions held in the District Council that owing to the reaction from the residents, when we are to extend the SENT Landfill, that is, the landfill in Tseung Kwan O, we intend to convert it into a centre for receiving construction waste. In other words, as I said in the main reply just now, as the sludge treatment works will be commissioned in 2013, sludge will not be sent to the Landfill, and other kinds of domestic waste will not be disposed of there. Therefore, I said just now that the understanding presented by Ms Miriam LAU in her question is correct.

However, we will have to see whether or not this plan can be passed, because we have to make preparations for town planning approval and other aspects. This is also why we have consulted the District Council recently.

PRESIDENT (in Cantonese): Ms LAU, has your supplementary question not been answered?

MS MIRIAM LAU (in Cantonese): *I have no intention to get entangled in a dispute with the Secretary, but he has really twisted the meaning of my introduction to the main question. Would he please read carefully, I was saying, "study using the landfill only for handling construction waste", not "mainly"?*

Now the Secretary is saying that my understanding is correct. It means that the landfill only handles construction waste. Then, my supplementary question is: Will food waste be sent to that landfill? I hope the Secretary can answer this question.

PRESIDENT (in Cantonese): Secretary, is the SENT Landfill only used to handle construction waste, or is it mainly used for handling construction waste?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, if the plan is approved, and after the extension, the landfill will only be used for handling construction waste.

MR CHAN HAK-KAN (in Cantonese): *President, we note that the landfills will reach capacity sometime between 2014 and 2018. However, we can see that after the recent proceedings over EIA, the Government has to postpone a great number of works projects or withdraw some of the EIA reports, especially the one related to the incinerator project.*

May I ask the Secretary, granting the withdrawal of an EIA report, whether any assessment has been made of the pressure on the landfills reaching capacity? Does the Government have any contingency measures for this, such as increasing the efforts in waste reduction?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, at the beginning of this year, I briefed Members in this Chamber the entire waste disposal strategy and the new focuses. Obviously, I believe Members will agree that such pressure is increasingly being felt. This is because, as all Members who have raised the questions have said, the three existing landfills will reach capacity in 2014, 2016 and 2018 respectively. As Mr CHAN said, apart from increasing our efforts on reducing waste at source and waste recovery, we have to build additional facilities at the same time. However, it is unfortunate that some facilities, like the project to build an incinerator plant in Shek Kwu Chau which we are discussing, will be affected by the recent proceedings. On the one hand we must respect the rulings of the Court but on the other, we need to carry out some work promptly to see if the time required can be shortened.

That said, I agree with Mr CHAN Hak-kan that we can feel the pressure. So we must work harder in all other aspects, including changing the behaviour of the public, reduce waste at source, carry out waste recovery, and so on. Of course, other work will also include what I announced yesterday, that is, to hold a consultation exercise on expanding the coverage of the plastic bags levy and, as we have discussed, examine how best the recovery of food waste can be

increased, and so on. I agree with Mr CHAN that we should work harder in these aspects.

DR RAYMOND HO (in Cantonese): *With respect to what is mentioned in the main question that land at Tseung Kwan O Area 137 is to be acquired for the purpose of only treating construction waste, I wish to say that it is due to the less than proactive effort made by the Government in handling solid waste. The result is that we have to rely on the landfills only. But now the Government is placing the emphasis on handling the odour from the waste, then how will it handle construction waste?*

In the past, work was done to recover such waste for reuse. This is because in many countries, most of the construction waste can be recycled. But it seems that in Hong Kong, progress in this aspect has been dead slow. Now when such a large area of land is acquired, will the Government only dispose of the construction waste there and consider the job over and done with?

My supplementary question is: May I ask the Secretary, what is the size of Area 137? Will all the construction waste just be dumped there and no sorting is done? That is to say, will efforts be made to identify what can be recycled and recovered from the waste? Is this the main purpose?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Thanks to Dr HO for the supplementary question. On the question of construction waste, actually we have a comprehensive plan for that, and it includes collecting a fee on the disposal of construction waste. This measure is aimed at encouraging the people not to dispose of useful materials at the landfills. Besides, we have set up warehouses for the storage of such materials in many places all over Hong Kong and some construction waste such as inert construction material can be recycled.

After the use of the SENT Landfill is changed, we hope to take care of that. That is to say, whenever possible, the construction waste should be kept for use in construction or landfilling, or some other uses.

There is a figure which should be mentioned and that is, of the total amount of waste handled in the landfills from all over Hong Kong, construction waste

only takes up one tenth. This is because our policy can play a part in sorting the waste. As a result, the amount of waste entering the landfills has decreased. As Dr HO has suggested, we will retain part of the waste which can be recycled and recovered.

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

DR RAYMOND HO (in Cantonese): *There is one more point which was not answered. The Secretary did not say how large is Area 137.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I do not have that figure at hand. I will supply it later in writing. (Appendix I)

MR RONNY TONG (in Cantonese): *President, first of all, I wish to thank the Secretary for giving us quite a comprehensive reply. However, the question of refuse collection vehicles mentioned in the last part of the main reply shows that the measures taken cannot solve the problem at root.*

May I ask the Secretary why consideration is not given to requiring contractors to use sealed refuse collection vehicles? If the contractors have financial difficulties in this respect, can the Government not provide some subsidy to help them change over to using some sealed vehicles which are more environmentally-friendly, especially adding sort of a pan to the chassis of the vehicles to prevent waste water from dripping?

We actually discussed such issues last time during the debate on the repeal of the Order, but the Secretary did not touch on these in his reply today. I hope the Secretary can answer why he does not try to solve the problem at root but only tries to fix the problem on the surface?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Thanks to Mr TONG for the question. In the replies I have given before, I have mentioned the

situation of refuse collection vehicles. Now there are some 400 refuse collection vehicles in Hong Kong and they are specifically tasked with transporting refuse. One third of these refuse collection vehicles belong to the Government, that is, about 140 to 150 vehicles. And more than 85% of them are fully sealed. They are those vehicles Members can see on the streets. They are painted yellow and are more rounded in outline, not the type of vehicles we saw in the past which were more rectangular. As to the remaining 10 to 20 such vehicles, they will be converted into fully sealed refuse collection vehicles this year or in a couple of years' time. So the Government has done work in that aspect.

Then what about those refuse collection vehicles which Mr TONG has talked about and which do not belong to the Government? Those refuse collection vehicles which are hired by the Food and Environmental Hygiene Department (FEHD) on contract terms all meet such a requirement. The FEHD has begun to stipulate in the new contracts that vehicles engaged in such kind of work for the FEHD must be sealed. In this regard, the refuse collection vehicles of the FEHD will be converted into sealed vehicles gradually within the next few years.

The remaining problem to be solved is about those refuse collection vehicles which are not operating under a contract with the FEHD but independently. Recently, we have discussed with the relevant trade association to see if certain parts can be added to these vehicles in precisely the same manner as suggested by the Member to make these vehicles sealed and drip-proof. As testing has to be undertaken before conversion can be made to the existing vehicles, we are testing a few vehicles with the assistance of the trade concerned. Then depending on the results, we will see how similar improvement can be made to the remaining refuse collection vehicles.

MR RONNY TONG (in Cantonese): *President, the Secretary has not answered my question.*

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

MR RONNY TONG (in Cantonese): *I was asking the Government to explain why they were not asked to change over to using sealed vehicles, not converting these vehicles. In addition, if any difficulties were encountered, why could the Government not offer some assistance so that these vehicles could be turned into sealed refuse collection vehicles expeditiously?*

PRESIDENT (in Cantonese): Secretary, have you heard the Member's question?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I already explained that point in my reply earlier. This is not only a direction but actually work that will be done. It will start with the Government and then extend to contractors on contract with us. We hope that in this way, some actual and effective improvement can be made to the refuse collection vehicles entering the landfills.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Second question.

Impact of a Recent Court Judgment on Various Railway Projects

2. **MS STARRY LEE** (in Cantonese): *President, although works of the Hong Kong-Zhuhai-Macao Bridge (HKZMB) Main Bridge have already commenced, the High Court ruled last month that the environmental impact assessment (EIA) reports on the works of that project to be undertaken within Hong Kong did not comply with statutory requirements, and requested that the environmental permit for such works be withdrawn by the Director of Environmental Protection. It has been reported that the judgment which has recommended new EIA criteria, including the requirements that a baseline study be carried out and corresponding mitigation measures be implemented, has far-reaching implications. It has also been reported that the incident has caused a knock-on effect as the MTR Corporation Limited (MTRCL) has already taken the initiative to withdraw three EIA reports on the Shatin to Central Link (SCL) project, and a number of infrastructure projects the EIA reports of which have been approved but the projects have not yet commenced (including the South Island Line (East)*

(SIL(E)) and the Kwun Tong Line Extension (KTE) might also be affected. In this connection, will the Government inform this Council whether the Government will refer to the aforesaid court judgment and carry out baseline studies on those infrastructure projects and implement corresponding mitigation measures in order to prevent the relevant EIA reports on SCL, SIL(E) and KTE from being challenged; if it will, of the details and the estimated extent of the delay caused to various projects; whether the dates of commissioning have to be postponed and whether the costs of the projects will increase; if it will not carry out such studies and implement such measures, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President, first of all, I have to apologize for speaking with a bad voice. If Members cannot hear me clearly, please adjust the volume of their earphones.

President, let me first speak on some background information. On 18 April this year, the High Court handed down its judgment on the judicial review case regarding the environmental impact assessment reports (the EIA Reports) of the HKZMB Hong Kong Link Road and Hong Kong Boundary Crossing Facilities projects (the HZMB local projects). We noted that of the seven contentions raised in the judicial review application, the Court rejected six of them. However, the judgment pointed out that after interpreting the purpose of the "Environmental Impact Assessment Ordinance" (Ordinance), it was considered that the EIA Reports of the HZMB local projects had only assessed the cumulative environmental impacts caused by the projects with the projects in place, and had failed to assess the direct impact of the projects on the environment (stand-alone analysis), as well as the relevant mitigation measures, in order to enable the Environmental Protection Department (EPD) to consider whether the impact has been minimized. The Court therefore ruled in favour of the judicial review applicant, and the EIA reports and environmental permits of the Hong Kong Link Road and the Hong Kong Boundary Crossing Facilities projects were also quashed.

President, taking this opportunity, I would like to point out that we have always conducted EIAs in a careful and serious manner, and the EIAs of the HZMB local projects are no exception. Since the implementation of the Ordinance, our understanding regarding the requirements and standards of the Ordinance has been that whether the estimated cumulative effects of the projects

concerned on the environment as a whole after their completion would comply with the statutory environmental standards should be the basis of approval. We have all along carried out the EIA studies concerned in accordance with the Ordinance, the Technical Memorandum on Environmental Impact Assessment Process (Technical Memorandum) as well as the Study Briefs issued for the projects concerned that were finalized after public consultation. We have also been submitting the relevant EIA reports to the Director of Environmental Protection (the Director) in accordance with the Ordinance. As a matter of fact, as a project proponent, our understanding is that there is no explicit requirement under the Ordinance or the Technical Memorandum for the provision of such "stand-alone analysis" as required in the Court's judgment in EIA reports. Hence, we have not included such analysis in the EIA reports submitted. As regards the requirement for the project proponents to introduce mitigation measures as far as possible, it has always been the Government's objective in overall planning and environmental protection. Although we have not provided such "stand-alone analysis" as required in the Court's judgment in the EIA reports of the HZMB local projects, appropriate and feasible mitigation measures have all along been proposed in respect of the impacts of the projects on the environment so as to address the public's concern as far as possible. In addition, every step of the process in respect of all applications under the Ordinance is displayed on the EPD website publicly, so as to facilitate the involvement of the public and the Advisory Council on the Environment at different stages. The EIAs of the HZMB local projects were also carried out under such open and transparent process.

The judgment in respect of the judicial review on the EIA reports of the HZMB local projects may affect other projects for which EIA is under way. As far as railway projects are concerned, the most affected one is the SCL. The MTRCL, erring on the side of caution, decided on 21 April this year to withdraw three EIA reports of the SCL that have already been submitted to the EPD for consideration, so as to review the contents of the reports.

Since the High Court's judgment involves important legal viewpoints of the Ordinance and poses significant implications on the execution of the Ordinance, after seeking legal advice and considering and examining relevant factors thoroughly, the EPD decided to lodge an appeal against the judgment. However, as the appeal process takes time, in order to continue to take forward the SCL project, in parallel with the appeal lodged by the Director, we will

review the project's EIA reports and EIA work, and prepare and submit the reports in line with the Court's judgment and the procedures, with a view to commencing the construction works of the project as soon as possible. The review and preparation of the EIA reports of the SCL will bring uncertainties to the implementation timetable for the project.

The SCL is a strategic railway project in Hong Kong. The completion of the railway can significantly save passengers' travel time between Kowloon East, New Territories East and Hong Kong Island, relieve the crowded situation of the existing railway lines in urban Kowloon and on Hong Kong Island, reduce traffic congestion and environmental problems of the existing road network, and promote redevelopment of some old districts such as To Kwa Wan and Kowloon City. As the 17 km-long SCL runs across a number of densely populated areas in the territory, including Sha Tin, Wong Tai Sin, Kowloon City, Wan Chai and Central, its construction and operation will bring about a change of environment in these areas, and the associated environmental impact must be carefully evaluated. The MTRCL has completed the three EIA reports of the SCL, and submitted them to the EPD as early as 21 February. But in view of the Court's judgment on the EIA reports of the HZMB local projects, the MTRCL, erring on the side of caution, decided to withdraw the three EIA reports on 21 April this year so as to review the contents of the reports.

Since the Executive Council agreed to proceed with the implementation of the SCL in 2008, we started to conduct comprehensive and detailed public consultation. The different level of councils, organizations and residents consulted generally supported and welcomed the SCL project, and urged the Government to expedite its implementation. In end November 2010, the SCL project was gazetted under the Railways Ordinance. We are currently at the statutory consultation stage. We have sought funding from the Legislative Council for a number of advance works and protection works of the SCL project in 2010 and 2011. These advance works and protection works have commenced.

The detailed design work of the SCL railway project has originally been making good progress. The relevant EIA reports had in fact been completed and submitted to the EPD. The 17 km-long SCL runs from Tai Wai to Kowloon via some densely populated areas, and then from Hung Hom Station via Victoria Harbour to terminate at Admiralty. The MTRCL will make appropriate

environmental mitigation measures for the design and construction sequences of the SCL taking into account the environment of the areas along different parts of the SCL. As such, the EIA and the mitigation measures of different sections of the project are contained in three different EIA reports. The first report covers the Tai Wai to Hung Hom section, the second report covers the section from Mong Kok East to Hung Hom, the third report covers the Hung Hom to Admiralty section. As the environmental issues involved are complex and affect a number of areas, each of the three EIA reports took a year to prepare and compile.

Our original plan was to complete the statutory consultation process and statutory EIA process in early 2012, and then to submit the case to the Executive Council for consideration of authorization to take forward the project. We aim to commence construction works in 2012, and complete the Tai Wai to Hung Hom section in 2018 and the Hung Hom to Admiralty section in 2020. However, as we need to review the three EIA reports of the SCL project in accordance with the Court's judgment regarding the EIA reports of the HZMB local projects, there are still considerable uncertainties at this stage as to whether the programme for the SCL project may be affected.

At this stage, it is difficult to estimate the time required for the review of the three EIA reports of the SCL. We and the MTRCL are carefully examining the new EIA requirements laid down in the Court's judgment regarding the HZMB local projects and how to meet such requirements in the EIA process. We need to discuss with the EPD the views in this regard. It is only after having a clear understanding of how to handle the requirements of the judgment could we assess how to deal with the three affected EIA reports of the SCL, and the complexity of and time required for the work. We would then be in a better position to assess whether there will be any delay in the SCL programme.

We expect that the more complex is the EIA work for the affected projects, the longer will be the time required for the review of the EIA report. The more mature is the project preparation work, the closer is the originally scheduled time for commencement of construction, and the time available for review of the EIA report will be shorter and the risk of delay in construction is higher. As far as the SCL is concerned, despite complexity of the EIA work, the EIA work as well as other preparatory work have been making good progress. Our original plan is to complete the statutory consultation process and statutory EIA process in early

next year, and then submit the railway scheme to the Executive Council for consideration of authorization with a view to commencing construction works in 2012. If the review and preparation of the EIA reports are time consuming and we cannot complete the work within this year, then the original programme may also be affected.

If the programme of the SCL is delayed, it is expected that construction cost will likely increase, but it is difficult to assess the magnitude of the increase in construction cost at this stage.

As regards the environmental permit for the KTE and SIL(E) projects, the Director issued the permits for these two projects in September 2010 and December 2010 respectively. In the judicial review case in respect of the HZMB local projects, the Court's judgment was only in respect of the EIA reports and environmental permits of the HZMB local projects, and did not touch on these two railway projects. We consider that the EIA reports and environmental permits of the two railway projects are still valid and effective. The current design of the SIL(E) and the KTE railway already includes various mitigation measures which were made in response to the public's demand to further reduce the impact on the environment. The residents in Kowloon City, Hung Hom and Southern District has longed for the early implementation of the KTE and the SIL(E) projects. The relevant District Councils have also been urging the Administration for the early implementation of these two railway projects.

We have sought the Executive Council's authorization of the KTE and SIL(E) railway scheme in November last year. Furthermore, on 15 April this year, the Finance Committee of the Legislative Council approved the funding applications for the Essential Project Infrastructure Works of the two railway projects. The Executive Council has also approved the financial arrangements concerned. As the EIA reports and environmental permits of the two projects are valid and effective, and we have already completed the necessary statutory, administrative and funding application procedures for these two railway projects, the MTRCL will commence construction works as scheduled, in response to the aspirations of society.

The Administration has always conducted EIAs in a careful and serious manner, and also strives to start construction of railway projects as soon as possible to meet the needs of the community. Although the EIA work for the

SCL project faces many uncertainties at this stage, we will try our best to handle the EIA of the SCL project in line with the Court's judgment and the procedures, striving to reduce the possible impacts on the cost and programme of the project.

MS STARRY LEE (in Cantonese): *President, the withdrawal of the EIA reports of the HZMB has the effect of causing delay to tens of EIA presently underway. It is reported that the number of works projects affected is as many as 70. The construction industry is making strong calls claiming that the withdrawal of the EIA reports of the HZMB has served to cut 11 000 job opportunities instantly and cause a rise in costs by 15% every year. The impact caused can be considered phenomenal.*

Apart from the SCL which is mentioned in the main question and in the relevant reports, projects now underway include also the incineration facility at Shek Kwu Chau, the project in Sha Lo Tung, Tai Po, and so on. Could the Secretary inform us of the number of works projects which experience delay as a result of the withdrawal of the EIA reports of the HZMB and the number of EIA reports affected? Is the number of such works projects being 70 as reported? Would the Secretary give an account of these and if she is constrained by time, would she provide supplementary information in writing after the meeting?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, this supplementary question would perhaps better be answered by the Secretary for the Environment because he is the gatekeeper for EIA reports. As far as I know, there are some 70 works projects affected and these projects are now at various stages of construction.

As I have explained earlier, EIA work should be carried out in accordance with the Ordinance, the Technical Memorandum and the Study Briefs issued for the projects concerned and they are finalized after public consultation. As far as I know, of the some 70 projects mentioned, the Study Briefs of many of them have been approved and their EIA reports are being compiled. If certain procedures are added again, these projects will certainly be affected. I can tell Members with certainty that projects within my purview and which may attract the attention of Members include six projects for major highways. Their EIA work may be affected. A project which may be affected considerably is Route 6

and its component parts, including the Central Kowloon Route, the Trunk Road T2 and the Tseung Kwan O — Lam Tin Tunnel. Route 6 is a works project actively underway. It is 13 km in length, being a major trunk road designed to serve the traffic needs of the eastern and western parts of Kowloon. On completion of the works project, a trip from West Kowloon to Kowloon Bay will only take five minutes and a trip to Tseung Kwan O will only take 12 minutes. The project is now at the EIA stage.

As I have pointed out in the main reply, if any procedure is to start all over again, the first thing we have to determine is what kind of work is involved. Now we are discussing with the EPD on the HZMB. As for which procedures should be added to other projects, we can only know after holding such discussions. It is because these projects are already at the EIA stage and it is believed that only after some time when the problems are clarified that we can know what the effect is on the schedule or construction costs.

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

MS STARRY LEE (in Cantonese): *The Secretary has not replied as to whether she would submit supplementary papers after the meeting. This is because the Secretary did not have enough time to make a response regarding all of the some 70 projects.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I will relay this request to the Secretary for the Environment. I am sure he will be happy to provide the relevant information. (Appendix II)

PRESIDENT (in Cantonese): As the Secretary has used considerable time in giving the main reply and as many Members have requested to raise questions, so will Members please make their questions as brief and concise as possible.

DR PHILIP WONG (in Cantonese): *President, my supplementary question is very concise. About the MTRCL which has withdrawn three EIA reports concerning the SCL at its own initiative, may I ask what are the areas covered and how much money and time are involved?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the areas covered are the sections of the 17 km-long SCL. It is divided into three parts because the project involves rather complicated works. The first part covers the section from Tai Wai to Hung Hom, including the construction of a section with a viaduct at the Hin Keng Station. The second part is the section from Mong Kok East to Hung Hom and new rail interchanges for the new SCL station in Hung Hom will be constructed. The third part is the section from Hung Hom to Admiralty and its component parts include a caisson foundation project in the harbour crossing section. Therefore, the SCL project is divided into three parts. The consultancy has used one year to complete the EIA work in three parts, costing some \$40 million.

MR WONG KWOK-KIN (in Cantonese): *President, we all know that the HZMB project is delayed and it will cause an enormous impact on infrastructure works in Hong Kong. The Secretary's response made earlier is mainly concerned with railway projects, while mention is also made of the highway network. I wish to point out that residents of East Kowloon are very much concerned about the road networks in the district, such as the Central Kowloon Route, Trunk Road T2 and the Tseung Kwan O — Lam Tin Tunnel. May I ask, how great is the impact of this judgment on these road networks? Such as how long the delay is caused before the roads concerned are built, the impact on the construction cost, and so on. Can the Secretary provide more detailed information on all this?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, these three projects are three component parts of Route 6. Originally, the EIA work for the Central Kowloon Route was in progress and it was estimated that a report could be submitted by March 2012. Likewise, the EIA work for Trunk Road T2 was also in progress and it was estimated that a report

could be submitted within 2012. The EIA work for the Tseung Kwan O — Lam Tin Tunnel was progressing at a faster pace and a report was originally scheduled to be submitted in the beginning of 2012.

As I said just now, we have to discuss with the EDP as to what additional procedures should be undertaken to comply with the latest Court judgment and the resulting procedures. I have mentioned in the main reply that we have been acting according to the Technical Memorandum. But there is no explicit requirement for the provision of such "stand-alone analysis". This can be likened to the situation where the examination syllabus is changed. We have to consult the teachers with respect to this new examination syllabus before we can do our revisions to prepare for the examination. Now we are at this stage of consulting the teachers with respect to the new examination syllabus. This will enable us to know what steps should be taken again. Therefore, the EIA work for the three component parts which I have just mentioned was originally scheduled for completion at various points in time in the year 2012. But there may be changes now and the magnitude of these changes would have to depend on the complexity of these additional procedures to be taken before we can know how long these projects will be delayed.

DR MARGARET NG (in Cantonese): *President, with respect to another written question from Mr Abraham SHEK today, the Secretary for the Environment has made a response, saying that while the EDP is filing an appeal against the judgment made by the High Court, it will re-examine the EIA reports concerned and make supplements. In other words, the Secretary for the Environment seems to know clearly what the Court expects from him. Now the Secretary is saying that this is a new requirement from the Court, but as a matter of fact, the proceedings started more than one year ago. The Government should have known about this point of view a long time ago. Furthermore, the Court of Final Appeal case on which the Court has based its judgment dated as far back as 2006. Even if the Secretary has been acting on the rule that since the rubbish bin is not yet full, so more rubbish can be put into it, after the applicant initiated the proceedings, she should have known that there would be another and different point of view and she should have made an assessment of the magnitude of the impact so caused.*

President, my supplementary question is: Since these works projects are so important, why has the Secretary not made herself fully prepared? She should either provide data to illustrate her point like the Secretary for the Environment did or ask the Court to arrange for the trial as early as possible. Why has the Secretary not taken these two courses of action? Had the Secretary been serious in handling the case, could the delay that we have now be prevented?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Secretary for the Environment is not in attendance now. It may be more appropriate for him to take these questions. This is because I am a project proponent and I must act according to the existing laws and procedures

MR LEUNG KWOK-HUNG (in Cantonese): *President, I wish to seek a clarification.*

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

MR LEUNG KWOK-HUNG (in Cantonese): *Since there is only one government, the Secretary must respond to the questions. She cannot say that the Secretary for the Environment is not in attendance. What does it matter if government officials are not all in attendance? Since the two Secretaries of Departments are in attendance, then let one of them take the questions. The Secretaries of Departments are the heads of the officials, and they are responsible for overlooking the overall operation of the Government.*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down.

The view put forward by Mr LEUNG is correct. This is because after a Member has asked a main question, it is the Administration which is to decide which Principal Official or officials to come here to give a reply. Besides, the supplementary question from Dr Margaret NG bears direct relevance to the main question. So would the Secretary give a reply by all means? If the Principal

Official in attendance cannot give a reply, would the Administration give a reply in writing after the meeting?

Secretary, please continue.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, actually I was trying to explain and give a reply. But Members should know clearly that I am a project proponent. The HZMB project must proceed as required by the law. Of course, we must deal with the matter as per the laws and procedures at that time. As to the question asked by the Member earlier as to whether arrangements will be made to hold the trial as soon as possible, since the judicial review is directed against the EDP, then why will the EDP not do it? President, I hope you will understand that I am a project proponent and I cannot really respond to this question on behalf of the regulatory body concerned.

Of course, I also hope that the requirements under the judgment can be clarified as soon as possible and for that purpose we are now discussing with the EDP. In the written question from Mr Abraham SHEK, mention is also made of the kinds of follow-up action to be taken in connection with the EIA reports. I have also said in the main reply that we are discussing the matter with the EDP on what new steps or supplementary information to be included in compliance with the latest judgment and requirements.

DR MARGARET NG (in Cantonese): *President, the Secretary has not answered my supplementary question. My supplementary question is: Why has the Government not been treating the lawsuit seriously? After the applicant has initiated the proceedings, the authorities should have treated the matter seriously and made full preparations. Apart from making arrangements to hold the trial as soon as possible, I have also said that the other party has made a demand for the provision of a "stand-alone analysis". The Secretary for the Environment has said today that work in this regard can be done now as a remedy. But why had no preparation been made when the proceedings were initiated? This is because she is in charge of these projects and it is her projects which will be affected. So, President, I think the Secretary has not replied as to why she did*

not face the litigation squarely and get herself fully prepared for the impact that might be brought about.

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we have to face different challenges and legal actions every day. As I have just said, the point is we have to act according to the law. Of course, we have to comply fully with the procedures and laws at that time. Now it is said that a "stand-alone analysis" should be provided. We have actually stated in our reply to Mr Abraham SHEK's question that paragraph 3.4 of the Technical Memorandum is an explanation of such "stand-alone analysis". According to the requirements now, we have some data for the "stand-alone analysis" but as there is no explicit requirement that an analysis should be made and mitigation measures proposed under separate covers, we have not done so. However, as to what should be done to comply with the judgment and the new requirements, we are discussing the matter with the EDP and seeking its advice and instruction. Once matters in this regard are clarified, we will handle them at full throttle.

I wish to emphasize again that all along we have been acting in compliance with the existing procedures and laws in doing EIA work.

DR MARGARET NG (in Cantonese): *President, the Secretary still has not answered my supplementary question. I understand of course that the Government will not admit that it is at any fault, but my question is, in the case that the Government is at fault, why did it not make any preparation beforehand? This is because as the Secretary has said today, these works projects are greatly affected*

PRESIDENT (in Cantonese): Dr NG, your follow-up question is clear enough. I also understand that you are not satisfied with the reply by the Secretary. There are seven Members who still want to ask questions and many Members are very concerned about the topic as well. But we have spent 25 minutes on this

question, far more than the time usually allowed for an oral question. So I must stop it here. Will Members follow up this issue on other occasions.

Third question.

Problems Faced by Employees After Implementation of Minimum Wage Ordinance

3. **MR LEUNG KWOK-HUNG** (in Cantonese): *President, in fact, it would be most desirable if the Secretary for Justice, WONG Yan-lung, were present*

PRESIDENT (in Cantonese): Mr LEUNG, please ask your main question.

MR LEUNG KWOK-HUNG (in Cantonese): *Of the three Secretaries of Departments, why is he alone absent?*

President, quite a number of members of the public have reflected to me that before the Minimum Wage Ordinance (MWO) came into operation on 1 May this year, quite a number of "unscrupulous" and "callous" employers had resorted to every conceivable means to deduct their employees' wages in respect of meal breaks and rest days by revising employment contracts, or even reduce and restrict the paid time for their employees' toilet breaks, and quite a number of members of the public were dismissed by their "unscrupulous employers". A member of the public has also complained to me that, in response to the appeals made by the Secretary for Labour and Welfare on radio programmes, he had sought assistance from the Labour Department (LD) in negotiating with his employer on issues relating to minimum wage, but this had resulted in his immediate dismissal by the employer. The complainant has remarked that seeking assistance from the LD was just like a "suicidal" act. In this connection, will the Government inform this Council:

- (a) *whether the Government will promptly introduce legislative amendments to include employees' meal breaks, rest days and toilet*

breaks as paid time; if so, when it will introduce such amendments; if not, of the reasons for that;

- (b) what new measures the Government has to protect all Hong Kong employees from being exploited by their employers by means of deducting their wages in respect of meal breaks and rest days as well as reducing the paid time for their toilet breaks; and the number of prosecutions instituted against those "unscrupulous employers" who exploit their employees by the aforesaid means; and*
- (c) whether the Government has any effective measure to guarantee that employees seeking assistance from the LD in negotiations with their employers over issues relating to minimum wage will not be dismissed immediately; if it has, of the details; if not, how the Government will make members of the public feel that they have nothing to worry in seeking assistance from the LD?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my reply to the three parts of the question raised by Mr LEUNG Kwok-hung is set out below:

- (a) Neither the MWO nor the Employment Ordinance (EO) prescribes that meal breaks, rest days and other rest breaks are with pay or not. All along, employers and employees may, depending on the circumstances of individual enterprises or personal needs, agree on their employment terms, including whether meal breaks, rest days and other rest breaks are paid or not.

As the situations vary for different industries and enterprises, and given the diverse personal needs of individual employees, it would be inappropriate to legislate for paid meal breaks, rest days and other rest breaks across the board.

- (b) If meal breaks, rest days or other rest breaks are all along with pay in accordance with the employment contract or agreement, employers should not unilaterally vary the employment terms. Otherwise, the employees may file claims against their employers in accordance

with the EO. If existing employment terms in these respects need to be clarified or updated because they are unclear or employers have genuine problems in shouldering the financial burden, there should be thorough staff consultation with a view to gaining mutual understanding and reaching consensus on lawful, sensible and reasonable grounds through labour-management communication and negotiation. The LD would help and conciliate where necessary.

To tie in with the implementation of the MWO, the LD conducts proactive workplace inspections to establishments of various trades and mounts targeted enforcement for low-paying sectors to safeguard employees' statutory benefits. During workplace inspections, labour inspectors would explain to employers and employees the requirements of the MWO. Should irregularities be detected, we will require employers to take appropriate measures to comply with the MWO including paying any shortfall of wages to employees. The LD will also enhance the publicity of its complaint hotline (2815 2200) to encourage employees to report suspected breaches. All complaints received will be followed up and investigated promptly. The LD will take enforcement action against wilful breaches of the law.

- (c) Employees are valuable asset of an enterprise. We encourage employers to maintain harmonious labour relations by treating their employees well. As for employees who approach the LD for assistance, we encourage the employers and employees concerned to adopt a positive attitude in resolving their differences amicably. Where there is sufficient evidence that an employer has breached the law wilfully, the LD will take enforcement action against the employer. We believe that most employers are rational. They would appreciate that only through sincere communication and consultation with employees can problems be resolved, and employees' sense of belonging and productivity be enhanced, thereby facilitating the operation and business of the enterprises. This would ultimately result in a win-win situation for both employers and employees.

MR LEUNG KWOK-HUNG (in Cantonese): *President, this really brings up all sorts of emotions in me because I once worked in an electronics factory, responsible for fitting transformers. If I wanted to go to the toilet while I was working, I had to raise my hand and seek permission from the head of the line. I believe Ms LI Fung-ying can also bear living testimony to this kind of life.*

My question is: Now, wages are deducted even for going to the toilet and this is a very serious situation. The Secretary has an "extra-sensory skill", that is, he can be totally irrelevant when answering questions, so he has not answered my question in any way. First, I asked the Secretary when he would include employees' meal breaks, rest days and toilet breaks as paid time, that is, to use the maximum number of working hours as a base to calculate and stipulate how many hours a labourer should work each day, so as to prevent the deduction of wages by employers. This is part (a) of my question. I asked the Secretary when amendments would be made and if amendments were indeed made, how he would approach this matter and if no amendments would be made, what the reasons were. However, the Secretary did not answer my question at all.

First, I wish to point out to the President that perhaps because of the fact that you are not an ordinary Member of the Legislative Council and you do not attend panel meetings, so you do not know that

PRESIDENT (in Cantonese): Mr LEUNG, please put your supplementary question concisely.

MR LEUNG KWOK-HUNG (in Cantonese): *..... at the same time when the relevant legislation was enacted, the Government repealed the provision in the Trade Boards Ordinance stipulating that the Chief Executive shall have the right to appoint a committee to monitor excessively long working hours in a certain trade. That means even a standing provision was repealed. May I ask the Secretary why a provision according to which the Chief Executive can enforce the law to deal with the relevant instances was repealed? This provision was repealed at the same time when the legislation on minimum wage was enacted, so how possibly can the Secretary still have the nerve to tell me that a mechanism will be put in place to deal with this issue? I call on the Secretary to reply on*

behalf of the Chief Executive that the latter has relinquished such a power. However, since he did not make preparations properly, he does not know the relevant matters. May I ask the Secretary if, this being so, what power does the Government still have to address

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

MR LEUNG KWOK-HUNG (in Cantonese): *..... does he understand it? At the stage of making the law, I already raised the relevant issues, asking the Deputy Commissioner if he was an idiot. If maximum working hours are not factored into the calculation*

PRESIDENT (in Cantonese): Mr LEUNG, if you think you have already put your supplementary question

MR LEUNG KWOK-HUNG (in Cantonese): *Do you understand? Does he understand? He curtailed his own power and all members of the Bills Committee on Minimum Wage Bill know this.*

PRESIDENT (in Cantonese): Mr LEUNG, you already voiced your views in the debate on the Minimum Wage Bill.

MR LEUNG KWOK-HUNG (in Cantonese): *He curtailed his own power, so how can he still work for Hong Kong people?*

PRESIDENT (in Cantonese): Please sit down. Secretary, please reply.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, in fact, my reply has already responded to the main points raised by Mr LEUNG in his question clearly, that is, meal breaks, rest days and other breaks which of

course include toilet breaks. We have explained clearly that under the existing legislation, there is no requirement in this regard. However, as I pointed out clearly just now, on toilet breaks, employers must deal with them in a rational attitude and on lawful, sensible and reasonable grounds. Employers in general and most employers are sensible and reasonable. The instance cited by Mr LEUNG just now was reported by a newspaper and in fact, we have followed it up with the labour union concerned to gain a further understanding of this case, but we could not obtain any further information. We also wish very much to follow this matter up by locating the victim and obtaining information on the company concerned. We have also taken the initiative to obtain the relevant information and deal with this problem squarely.

MR LEUNG KWOK-HUNG (in Cantonese): *President, he is lying because I have a news report in hand. Miss CHAN Yuen-han is the vice-chairperson of the Federation of Trade Unions, Ms LI Fung-ying is a Member of this Council and Mr LEE Cheuk-yan is*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down. This is not a debate.

MR LEUNG KWOK-HUNG (in Cantonese): *The leaders of all three major labour unions have all said so, so did you ask them? If you did not, what are you talking about now?*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down. The Secretary has already replied.

MR JEFFREY LAM (in Cantonese): *President, I agree with the Secretary's comment just now that before any new law comes into operation, there must be enough time for various parties to engage in communication. As the Secretary said just now, in fact, employers will deal with such matters reasonably but the question now is whether or not there is enough time for communication. In society, be it employers or employees, they had all urged the Government a*

number of times in the past few months to publish the relevant guidelines but it was only a few weeks before the law came into operation that the Government published the guidelines, so employers and employees did not have enough time to have communication and as a result, the present disputes have arisen.

Here, I hope the Secretary will clarify once again that the minimum wage is calculated on the basis of working hours, that is, only the number of hours worked will be counted when calculating the wages. I hope that the Secretary can clarify this formally today instead of saying that employers can decide on their own if they will pay wages for meal breaks and rest days. If employers pay wages to employees according to the law, they are already law-abiding employers, so one should not intersperse such terms as "unscrupulous" or "scrupulous" in any analysis of minimum wage.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, thanks to Mr LAM. In fact, all parties have discussed this issue over and over again for some time and yesterday, I also gave a detailed and comprehensive presentation lasting one and a half hours to the Panel on Manpower. Here, I will give a very brief account. Mr LAM's understanding is correct in that the law requires that the method of calculating the minimum wage is to multiply the total number of working hours by \$28. However, we also have to take into consideration the circumstances of individual employers and employees. For existing employees, are there any other agreed arrangements in their contracts? Are there any other terms of employment, such as pay for meal breaks and paid rest days? For employees newly hired by their employers, if there are no such pre-existing agreed arrangements, the minimum wage is calculated by multiplying the total number of working hours by \$28. This is a fact and the first point.

Second, I have already stressed time and again that whether or not there is any pay for meal breaks and rest days is a term of employment that has to be negotiated and agreed by employers and employees and that there is not any requirement or stipulation in this regard in the law. However, in the transitional period of the implementation of minimum wage, in some pre-existing contracts, an all-inclusive arrangement may have been adopted, so in that event, employers and employees have to sort out the relevant issues. Members may think that this is a grey area, but we have to respect the negotiations between employers and

employees because this is about the terms of employment, so the Government should not interfere.

Just now, one message put cross was that employers who offer pay for meal breaks and rest days are scrupulous ones, but those who do not are unscrupulous ones but this definitely is not the position of the Government. I have to clarify that we have never labelled employers and the Government will never do so. On 30 April, I published an article in all major newspapers in Hong Kong to explain clearly that it is blameless for employees to want to get the best benefits but employers also have to consider their operating expenses and the need to control costs as far as possible, which is also reasonable and justified. Therefore, what fringe benefits employers can provide to their employees depend on the ability of the former. This is a matter of ability rather than scruples. This is very clear. The introduction of the minimum wage is a new matter, so all parties have to adjust and adapt. If any party encounters any difficulty during this period of time, the LD is duty-bound to do its utmost to mediate, in the hope that this matter can be sorted out.

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

MR JEFFREY LAM (in Cantonese): *The Secretary's reply on the working hours is not clear. What I want to ask is whether or not the minimum wage does not apply to the time for meal breaks, rest, sleep, and so on, and should only be calculated according to the time spent on work*

PRESIDENT (in Cantonese): Mr LAM, the reply of the Secretary just now is already very clear.

MS LI FUNG-YING (in Cantonese): *President, concerning the controversy over the working hours which should count towards the payment of minimum wage, the most fundamental solution is to prescribe standard working hours. May I ask the Secretary about the latest progress in the study on setting standard working hours?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, we all know very clearly that the setting of standard working hours is a fairly complicated subject matter. The minimum wage has just been implemented and we still have to observe its effects and implications and the Chief Executive has also talked about this in the Policy Address, saying that the Government will launch a policy study. However, since this issue is quite complicated and there is still no consensus in society, the views are still divergent. In addition, the implementation of the minimum wage will have an effect on working hours, so we have to observe its macroscopic effects. At any rate, we have launched a policy study. Our first step is to collect information on the experience of other places and this is very important. We will study and make reference to such experience, no matter if the experience is successful or otherwise, to see how such measures were implemented and whether or not such a measure should be implemented. This is the first task that has to be undertaken.

The second step is to study the working hours and the distribution of trades in Hong Kong. At present, we do not have such information. The information that we have is very general rather than detailed and it is not enough for conducting the relevant study. Therefore, we have some work to do in this regard and need the Census and Statistics Department to work in conjunction with us.

The third is to carry out comprehensive analyses and let stakeholders take part in the discussion. This also takes time, so we will make the most of our time and the study is in progress now.

MR WONG TING-KWONG (in Cantonese): *President, I will quote the oral question asked by Mr LEUNG Kwok-hung, that is, "quite a number of "unscrupulous" and "callous" employers had resorted to "every conceivable means" to deduct their employees' wages in respect of meal breaks and rest days by revising employment contracts, or even reduce and restrict the paid time for their employees' toilet breaks". I think quite a lot of fairly serious accusatory remarks are made in this question, such as "unscrupulous" and "callous". May I ask the Secretary if such accusations are founded on evidence? In saying "quite a number", how many are there actually? If there is no factual basis, I am very disappointed with the main reply because the Secretary did not clarify this point. I wish to learn more about this from the Secretary.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thanks to Mr WONG for the question. In fact, Mr LEUNG should be invited to explain the question asked by him. I agree with Mr WONG's view that the great majority of employers in Hong Kong are law-abiding and good employers. In fact, good labour relations are founded on labour-management communication, so we must not pin labels easily, nor should we label each other. Employers and employees have to be mutually understanding and accommodating. Therefore, in the last paragraph of my main reply, I also explained clearly that the great majority of employers are rational. Otherwise, labour relations nowadays would not have been so good.

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

MR WONG TING-KWONG (in Cantonese): *The Secretary talked about "the great majority of employers", so in other words, there is still a small bunch. The main question says there is "quite a number" but the Secretary talked about "a small bunch". "A small bunch" is a mouse dropping that can ruin a whole pot of congee. Has the Secretary ever tried to understand how many cases there are?*

PRESIDENT (in Cantonese): Mr WONG, the Secretary has already answered the supplementary question asked by you just now. If you still have some other different views, you should debate it on other occasions.

MR WONG SING-CHI (in Cantonese): *President, just now, the Secretary mentioned towards the end of the second paragraph in part (b) of his main reply that the LD encourages employees to report suspected breaches, which will be followed up and investigated promptly. May I ask the Secretary how many complaints have been received since 1 May and how many of them have been handled, how many have been successfully resolved and prosecution will be instituted in how many cases? These figures can reflect whether or not the relevant Policy Bureau and the LD have responded proactively to the situation after the implementation of the minimum wage. The Secretary said just now that*

a proactive approach would be adopted, so I wish to learn about the relevant situation.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, we are really working very proactively. Mr WONG, yesterday, we gave a full and clear account here for one and a half hours. I wish to explain briefly that our complaint hotline (2815 2200) has received a total of three complaints and we have followed them up immediately. In these cases, it is suspected that the hourly rates may be lower than the statutory minimum wage and they are still being followed up. In addition, from 1 May to yesterday, Labour Inspectors had conducted over 1 700 or close to 1 800 inspections. Yesterday, I said that the number was over 1 600, but after including the number of inspections carried out yesterday, the number is close to 1 800 and in these inspections, 23 employees suspected that the rates of their wages were lower than the statutory minimum wage. We gave explanations to both employers and employees on the scene, telling the employers clearly their responsibilities and employees' rights and we clarified any doubts on the scene to ensure that the rights of employees would not be compromised. We will continue to step up inspections and if we find any employer flouting the law, we will surely take actions according to the law. This is what we would surely do.

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

MR WONG SING-CHI (in Cantonese): *President, he did not give me a reply on the number of prosecutions.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, there is no figure on prosecutions for the time being because the law has just been implemented. Yesterday, I pointed out clearly that 7 June would be a very important divide because the period from the end of May to 7 June is the peak of making wage payments, so we will surely watch the situation closely and deal with this issue in a lawful, reasonable and sensible way.

MR LEE CHEUK-YAN (in Cantonese): *President, in fact, the biggest problem is that even with the minimum wage now in place, as pointed out in the question, often, in the so-called renewal of contracts, employers would often take away such original benefits as paid meal breaks and rest days. The main reply says, "..... there should be thorough staff consultation with a view to gaining mutual understanding and reaching consensus on lawful, sensible and reasonable grounds through labour-management communication and negotiation". However, we all know, and I believe the Secretary also agrees, that there is nothing to prove that employers have thoroughly consulted employees. In fact, the approach of "using a big boulder to crush the crabs" (that is, a high-handed approach) is adopted in all cases. There is no right to collective bargaining in Hong Kong, so how can genuine labour-management communication be promoted? For this reason*

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

MR LEE CHEUK-YAN (in Cantonese): *The supplementary question that I want to ask is related to another area. On enacting legislation to regulate meal breaks, the main reply says, "As the situations vary for different industries and enterprises, and given the diverse personal needs of individual employees" but I do not understand what "personal needs" means. Does he mean that there is no need for employees to have meals? May I ask the Secretary to clarify why legislation is not enacted to regulate meal breaks? Does he think that there is no need for employees to have meal breaks at all, so he talks about "personal needs" here? Are employees on diet or do they fast frequently, so there is no need for them to have meals? I hope the Secretary can clarify this.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thanks to Mr LEE for the question. Some employees really want to shorten their meal breaks, so that they can quit work earlier to take care of their children. Generally speaking, a meal break lasts one hour but they may think that half an hour will do, so this is what a flexible arrangement is about. In addition, some people may not want any paid meal break, so as to avoid being disadvantaged when calculating the relevant allowances and benefits for overtime work. Therefore, this issue involves many factors, so we have to care about the feelings of employees and cannot adopt an across-the-board approach. There is one point I

did not raise in my main reply. According to overseas experience, in places where minimum wages are implemented, including the United Kingdom, Ireland, Japan and the Mainland, the law does not require that wages shall be paid for meal breaks and rest days, so this arrangement is not unique to Hong Kong. We have also made reference to overseas experience when implementing the minimum wage.

PRESIDENT (in Cantonese): We have spent more than 22 minutes 30 seconds on this question. Fourth question.

Expansion Project of Hong Kong Sanatorium and Hospital

4. **MISS TANYA CHAN** (in Cantonese): *President, in January 2008, the Town Planning Board (TPB) proposed amendments to the draft Wong Nai Chung Outline Zoning Plan (OZP) to incorporate building height restrictions for the Hong Kong Sanatorium and Hospital (HKSH) site, and the HKSH applied for judicial review from the Court in this regard. On 1 September 2010, the HKSH submitted a settlement proposal to the TPB which accepted the proposal on 3 September, and the Metro Planning Committee (MPC) under the TPB agreed on 10 September to make amendments to the OZP. The relevant judicial review proceedings were terminated on 27 September. On 30 September, the TPB consulted the public on the revised draft OZP. It has been learnt that, with the aforesaid amendments and upon completion of the relevant expansion project of the HKSH, the number of bed spaces in private hospitals in the Happy Valley area will increase substantially. In this connection, will the Government inform this Council:*

- (a) *given that the TPB proposed further amendments to the OZP and conducted consultation after accepting the HKSH's settlement proposal, whether the authorities have assessed if the TPB's practice of "agreement first, consultation to follow" renders the subsequent public consultation to lose its substantive meaning; whether the TPB had gone through such amendment and consultation procedures which were similar to the above practice of "agreement first, consultation to follow" in the past; if it had, of the details; whether the authorities have assessed the legal risks and liabilities to be*

borne by the TPB if the amendments ultimately approved after the consultation do not conform with the contents of the settlement proposal;

- (b) as I have learnt that the Planning Department (PlanD), as the executive arm of the TPB, has handled the settlement issues related to the aforesaid judicial review case on behalf of the TPB under the TPB's delegated authority, while at the same time the PlanD is also responsible for consolidating the views given by various Policy Bureaux and departments on the HKSH's revised development proposal as well as providing the TPB with objective and professional advice, whether the authorities have assessed if this has resulted in role conflicts for the PlanD, making it impossible for the PlanD to provide professional advice in an independent manner; and*
- (c) during the planning process in dealing with the expansion project of the HKSH, whether the authorities have assessed the impact of the project on the planning for the supply of bed spaces in private hospitals on Hong Kong Island and even in Hong Kong as a whole; if they have, of the assessment results; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the TPB is established under section 2 of the Town Planning Ordinance (the Ordinance). It discharges its functions under the Ordinance independently.

I must point out that the question raised by Miss CHAN is asking about a decision of the TPB. It would not be appropriate for me to give an explanation on its behalf. The case in question has nevertheless been recorded in the papers of the TPB that are accessible to the public. I would refer to those documents and my reply to the three-part question is as follows.

- (a) As pointed out in MPC Paper No. 20/10, according to the settlement proposal between the HKSH and the TPB, the PlanD was required to prepare a paper for the MPC meeting on 10 September 2010, and propose amendments to the draft Wong Nai Chung Outline Zoning Plan No. S/H7/14 (the new draft OZP) under section 7 of the

Ordinance. After the PlanD had submitted the relevant paper, and the MPC agreed to the amendments to the draft OZP on 10 September 2010, the HKSH withdrew its application for judicial review as set out in the settlement proposal.

As mentioned above, the TPB had amended the draft OZP as required in the settlement proposal, and published the amendments in gazette for public consultation in accordance with the Ordinance. Representations and comments in respect of the new draft OZP had also been handled in accordance with the Ordinance. The TPB's exhibition of the amendments, conduct of consultation and processing of public representations and comments were all done in accordance with the Ordinance and it would be inappropriate for the Development Bureau to comment.

As far as I know, there was no similar precedent of a settlement proposal for the TPB.

- (b) According to the information provided by the Secretary of the TPB, in the settlement of this case, the Secretary of the TPB has been acting on authority delegated by the TPB, representing the TPB in handling the settlement matters relating to the judicial review, including advising on the settlement proposal and its terms, as well as seeking professional and legal advice on the relevant matters for the TPB's consideration. On the other hand, in dealing with the HKSH's proposed development and making amendments to the draft OZP, the PlanD was mainly responsible for consolidating the views of the relevant bureaux and departments, and providing planning analysis and professional planning advice to the TPB. It had also confirmed that the development proposal was acceptable.

However, it is the job of the TPB to consider and decide on the settlement proposal and the amendments to the draft OZP. The Secretary of the TPB and the PlanD are mainly responsible for giving objective, professional and independent advice on the relevant procedures/legal issues and planning matters. There is no conflict of roles.

- (c) The TPB had considered the HKSH's expansion project with reference to the views of the Food and Health Bureau and the Department of Health (DH). The Food and Health Bureau supported the development proposal and the DH did not object to it.

It is the Government's policy to promote private hospital development to enhance the overall capacity of the healthcare system and further improve the quality of healthcare services to cope with the increasing service demand in Hong Kong. Private hospital development also helps address the imbalance between the public and private sectors in hospital services for the long-term sustainable development of the healthcare system in Hong Kong. Subject to compliance of the development with relevant statutory and regulatory requirements, the Government supports the expansion and redevelopment projects of existing private hospitals for the enhancement of their services, as well as the development of new hospitals.

In general, private hospitals provide services to residents living in the same district and also those from other districts. Apart from residents of the same district where the hospital is located, residents of other districts can also benefit from the new services and enhanced facilities provided by private hospitals through expansion or redevelopment. As far as the HKSH's expansion project is concerned, the Bureau considers that it will enhance hospital services and increase the number of hospital beds and service capacity for the benefit of the public. The Government supports the HKSH's redevelopment project subject to compliance of the hospital with relevant statutory and regulatory requirements.

MISS TANYA CHAN (in Cantonese): *President, the Secretary's mention in part (b) of the main reply actually refers to the PlanD. The community has all along queried why the Secretary of the TPB cannot be independent of the Government. This incident can best reflect the problem of role conflicts. Although the Secretary may disagree, we see that the PlanD seems to have a conflict of roles in this incident.*

As the PlanD acts as the Secretary of the TPB and its work involves matters in many aspects, may I ask the Secretary whether she has considered making the Secretary of the TPB independent of the Government expeditiously, that is, discontinuing the practice of allowing the PlanD to act as the Secretary of the TPB?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have no plan to alter the role played by the PlanD as the Secretary of the TPB. Neither do I agree with Miss CHAN's view that there will be a conflict of roles for the PlanD being the Secretary of the TPB. Even in this case, there is absolutely no evidence to prove the so-called role conflicts as alleged by Miss CHAN.

In fact, as I pointed out in the main reply, insofar as this matter is concerned, the PlanD, in its capacity as the Secretary of the TPB, has handled the relevant legal and judicial review matters under the TPB's delegated authority. On the other hand, the District Planning Officer under the PlanD is responsible for consulting the relevant departments and bureaux on planning matters before giving independent advice to the TPB. During the period when the revised OZP was published and displayed again, the TPB received a total of 1 068 representations, of which 700 indicated support for the relevant amendments and 300 raised objection. This demonstrates that, even if the TPB has to go through the relevant procedure, it has not compromised any applications received under a highly transparent, open and impartial regime as a result of role conflicts as alleged by Miss CHAN.

MR LEUNG KWOK-HUNG (in Cantonese): *I was terribly shocked at listening to the Secretary's remarks. I would suggest that she goes back and reads some books about the Parkinson's disease and the Peter Principle. Both of them are very short*

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

MR LEUNG KWOK-HUNG (in Cantonese): *This is actually a conflict of roles issue. Appointing a government department as the Secretary of the TPB or a Permanent Secretary as the Chairman of the TPB will constitute a conflict of*

roles and interest. This is absolutely not permissible. However, the Government has taken the lead to do so. This is like Donald TSANG doubling as the President of the Legislative Council

PRESIDENT (in Cantonese): Mr LEUNG, I believe

MR LEUNG KWOK-HUNG (in Cantonese): *let me finish first*

PRESIDENT (in Cantonese): your view is perfectly clear. Please raise your supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *it is like the Governor doubling as the President of the Legislative Council in the past.*

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

MR LEUNG KWOK-HUNG (in Cantonese): *You are now denying, but we are talking about what "really" is. The expression "really" has indeed been abused. Problems of this sort will occur when there is "really" a conflict of roles. This is like the case with the Union Hospital, which is situated in my constituency. Of the 2 hectares of land it occupies, only 0.98 hectare of land is used by the Hospital, whereas the remaining 1.02 hectares of land has been turned into luxury homes. Your way of dealing with things is "really" something!*

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

MR LEUNG KWOK-HUNG (in Cantonese): *I have no questions, and I have decided not to raise any question now. I just invite her to go back and read some books about the Parkinson's disease and the Peter Principle.*

PRESIDENT (in Cantonese): Please sit down if you are merely expressing your views.

MR LEUNG KWOK-HUNG (in Cantonese): *No, will she read the books?*

PRESIDENT (in Cantonese): Please sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *Can she talk like that? May I ask her*

PRESIDENT (in Cantonese): Mr LEUNG, please raise your supplementary question in accordance with the Rules of Procedure.

MR LEUNG KWOK-HUNG (in Cantonese): *I do not want to waste my time asking a supplementary question anymore.*

PRESIDENT (in Cantonese): In that case, please sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *We are not on the same level. I do not bother to raise questions. It is amazing that she could have made such remarks.*

PRESIDENT (in Cantonese): Please sit down.

MS AUDREY EU (in Cantonese): *President, the microphone is too slippery. I have to hold it in my hand because I cannot clip it on.*

President, I would like to invite Secretary Dr York CHOW to answer this question. Part (c) of the main question asks about matters concerning beds in

private hospitals, but the main reply has provided only very little information, or simply not answered that part of the question. I therefore want to follow up. In the last paragraph of the main reply, the Secretary said that the number of hospital beds and service capacity had to be increased for the benefit of the public. President, this is the point I want to follow up. First of all, I would like to tell the Secretary that, according to a complaint received by me, a Mainland woman, whose husband is a Hong Kong citizen, is pregnant with triplet babies and wants to come to a hospital in Hong Kong for delivery. Despite the fact that the triplet babies are Hong Kong people, the woman is unable to make a booking. In this connection, my follow-up question is: Can members of the public really benefit after the increase in the number of beds in private hospitals? In particular, the Administration is currently promoting the medical services industry. After increasing their number of beds, private hospitals can not only increase their fees, but also admit patients from all over the world (including those from the Mainland) and provide services in the light of market needs. However, it seems that the Government has difficulty even in requiring private hospitals to provide services to local people (particularly the triplet babies of the Hong Kong citizen mentioned by me just now).

May I ask the Secretary, if the number of beds in private hospitals is increased, whether the Government will consider imposing regulation and requiring private hospitals to accord priority in providing services to Hong Kong people and their children, including children whose mothers are Mainlanders and whose fathers are Hong Kong citizens? Can the Government achieve this goal through enhancing the regulation of private hospitals?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as everyone knows, there is a serious imbalance between the public and private sectors in hospital services. Therefore, we encourage private hospitals to strive to increase service capacity and improve the quality of services, including diversifying their equipment, facilities and services. In this regard, we consider that the application submitted by the HKSH meets the relevant principle. We also see that the HKSH has planned to enhance different specialist services. Hence, we support the HKSH's redevelopment plan.

As regards the obstetrics services specially mentioned by Ms Audrey EU, we have recently discussed with private hospitals and gained their agreement that

they will accord priority to local pregnant women in service provision and allocate the remaining quota to overseas pregnant women only when there is surplus service capacity.

MS AUDREY EU (in Cantonese): *President, the Secretary has not answered my supplementary question.*

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

MS AUDREY EU (in Cantonese): *Yes. President, you should also have noted that I asked this in my supplementary question: If there is an increase in the number of beds in private hospitals, will the Government regulate private hospitals to ensure that they will accord priority in providing services and hospital beds to Hong Kong people, including those like the triplet babies I mentioned just now? These triplet babies are absolutely Hong Kong people; their father is Hong Kong people, too. Therefore, they should have the right of abode in Hong Kong. My question is: Will the Government achieve this goal through regulating private hospitals?*

PRESIDENT (in Cantonese): Ms EU, regarding the last part of your follow-up question, the Administration has already made it clear in answering other questions in this Council that this is a controversial issue. I have also noted that Members disagree with the Government's existing policy. However, the Secretary can only answer questions in accordance with the existing policy. I allow you to raise a supplementary question because it is directly related to the main reply, that is, your question for the Secretary about whether the Government will regulate the beds provided by private hospitals "for the benefit of the public", as stated by the Secretary just now.

MS AUDREY EU (in Cantonese): *Yes.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the Department of Health (DH) is responsible for regulating all private hospitals. The quality, services and facility requirements of private hospitals must be approved by the DH before the hospitals can obtain a licence. We think that this application submitted by the HKSH conforms with the relevant requirements. As for other private hospitals, we will also process their applications in the same manner.

We believe increasing the total service capacity will definitely be helpful to Hong Kong people. Of course, private hospitals can choose the patients they serve, but patients can choose hospitals, too. Under certain circumstances, patients would seek a doctor's referral before approaching a certain private hospital. Some patients may even approach a hospital in person for consultation. The hospital will serve patients provided it still has service capacity.

Currently, we are more concerned about pregnant women and obstetrics services. In this regard, private hospitals have undertaken to accord priority to taking care of local pregnant women.

MISS TANYA CHAN (in Cantonese): *President, I also wish to raise a follow-up question on part (c) of the main reply concerning planning for the supply of beds in private hospitals throughout the territory. As mentioned by Secretary Dr York CHOW just now, the Administration is responsible for licensing and regulation of private hospitals. We find that there are actually many private hospitals near the HKSH, and it seems that private hospitals are concentrated on Hong Kong Island. However, as stated by Secretary Dr York CHOW, private hospitals should provide services for all the people of Hong Kong. In view of this, in the planning for the overall supply of beds in private hospitals, has the Secretary or the Bureau balanced the supply of beds in private hospitals in different districts and drawn up objectives or criteria in this regard?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as we consider that there is a need to increase the number of beds in private hospitals, we have already earmarked four sites for the development of private hospitals in designating medical services as one of the priority industries. It is envisaged that, through the comprehensive development of these four sites, together with

the expansion of existing hospitals, the service capacity of private hospitals or services can be increased by 20% to 30%. As regards whether a district-based planning decision will be made, we do not consider there is a need to make a special decision in this regard. The four sites currently earmarked are also distributed in Hong Kong Island, Kowloon and the New Territories. Hence, more hospitals will provide services in different districts in the future.

Furthermore, the services provided by private hospitals are mostly not accident and emergency services, but services under the so-called elective procedures. It is actually very common for Hong Kong people to choose to approach different hospitals for consultation, particularly opting for services provided outside their own districts. We think that the services provided by private hospitals and public hospitals under the Hospital Authority are different, with the latter providing mainly accident and emergency or district-based services.

PRESIDENT (in Cantonese): Fifth question.

Regulation of Small Houses and Village Houses

5. **MR LEE WING-TAT** (in Cantonese): *President, it has been learnt that the Government has been reviewing the New Territories small house policy for a long time, but no announcement has been made yet; recently, the Office of The Ombudsman published a report criticizing that the authorities have been ineffective in clearing the unauthorized building works (UBW) in village houses in the New Territories. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have compiled statistics on or estimated the present situation of the UBW problem of village houses in the New Territories, including small houses and ancestral homes; if they have, of the number of village houses in various districts which have unauthorized rooftop glasshouses, enclosed balconies, additional storeys up to four or five storeys and unauthorized rooftop accommodation, and how the authorities will handle the problem, as*

well as whether they will impose regulation according to the types of UBW;

- (b) whether it knows, in each of the recognized villages under the existing small house policy, the respective numbers of indigenous villagers aged 18 or above who are eligible but still have not applied for small house grant, or whose applications have not yet been approved at present; of the land area within the respective villages at present and, among which, the vacant land area that can be used for building small houses; whether the respective areas of the villages concerned can be extended to increase the land available for building small houses; if they can be extended, of the land area that can be extended; whether it has assessed the impact of such policy on the UBW problem of village houses in the New Territories; and*
- (c) whether it has assessed if the long-standing protection under the exemption under the Buildings Ordinance (Application to the New Territories) Ordinance has affected the Government's handling of the UBW problem of village houses; whether the authorities have set up a "rationalization working group" to handle the UBW problem of village houses at present; if they have, when the working group commenced work and when the relevant work will be completed, as well as whether the authorities will consult the public on the recommendations of the working group; whether the working group will propose exemption measures to allow the existence of UBW in village houses; if it will, whether it has assessed if this will result in two sets of policies or legislation in Hong Kong for handling UBW, such that the urban area and rural area are regulated by different statutes; and of the time for the authorities to complete the review on the small house policy, and whether the review will cover recommendations relating to the standard and the UBW problem of small houses?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the issue of UBW in village houses in the New Territories has recently been a matter of public interest. I am grateful to Mr LEE Wing-tat for asking the oral question

today. This gives me the opportunity to explain the Government's views and to dispel some of misconceptions on the subject. As I mentioned at the meeting of the Panel on Development (the Panel) last week, I would, at the Panel meeting in June, present a comprehensive update on the progress of our work and seek feedback from Members. In view of the limited time for oral questions, I shall be happy to incorporate further information in the Panel paper in case there are (and I believe there will certainly be) questions from Members that may remain unanswered today.

Village houses in the New Territories have a long history. The control for these houses has all along been different from that for buildings in urban areas. In other words, while they are all "buildings", they are subject to different regulatory and control regimes.

The Buildings Ordinance (Cap. 123), which provides for the planning, design and construction of buildings and associated works, was enacted in 1955. Its origin can be traced back to the Buildings Ordinance in 1889 (No 15 of 1889). However, until the Buildings Ordinance (Application to the New Territories) Ordinance (then Cap. 322) came into force on 1 January 1961, buildings in the New Territories were not subject to control of the then existing Buildings Ordinance.

The Buildings Ordinance (Application to the New Territories) Ordinance was repealed and replaced by the Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121) on 16 October 1987. Both Ordinances provided exemption for buildings which met the specified criteria from the requirement under the Buildings Ordinance to submit plans for approval by the Building Authority (BA) or to obtain the BA's consent for the commencement of the building works. They may be occupied without having to obtain occupation permits from the BA. They are also exempted from the regulations made under the Buildings Ordinance.

These houses, which are exempted from certain provisions of the Buildings Ordinance, are what we refer to as New Territories Exempted Houses (NTEHs). Under present legislation, NTEHs may not exceed three storeys or be of a height of more than 8.23 m or 27 ft as referred to in the community, and their roofed-over area generally should not exceed 65.03 sq m or 700 sq ft as referred

to in the community. These NTEHs include both New Territories small houses and, in general, redeveloped village houses.

My reply to Mr LEE's three-part question is as follows:

- (a) Since the large number of NTEHs are scattered over an extensive area in the New Territories, we have not conducted a detailed survey on the UBW in these houses. However, from our observation, UBW are widely found among village houses in certain New Territories districts. The total is estimated to be in the tens of thousands. Their numbers also differ among districts, with the problem being more serious in Yuen Long.

UBW come in many different forms and sizes. Their loading on building structure and the impact they have on the building safety vary. Generally speaking, the common forms of UBW include enclosed rooftops, balconies and canopies, external window grilles, anti-burglary grilles and metal gates, retractable canvas, and ground level and rooftop extensions. They also include structures which are in blatant contravention of the height and area restriction or even entire additional storeys.

On the question of dealing with these UBW, The Ombudsman pointed out in an earlier direct investigation report (published in 2004) that, in view of the large number of UBW in NTEHs, the problem could not be completely resolved in the foreseeable future given the limited resources. Thus, The Ombudsman proposed that the Government should consider a two-pronged strategy: on the one hand, (I quote) "to develop a realistic enforcement policy for containment of UBW in NTEHs" (End of quote) to avoid further aggravation of the problem; and on the other hand, to explore ways for (I quote) "rationalization of existing UBWs that are safe, not serious and thus tolerable" (End of quote). I quoted the above wording in my reply because recently, the community may have some misgivings about the word "rationalization" that I have used and so. I would like to point out the origin of "rationalization".

The Administration has adopted and actively pursued The Ombudsman's recommendations. To curb the proliferation of new UBW, the Buildings Department (BD) and the Lands Department (LandsD) have continued to step up enforcement of the relevant legislation and the lease condition, specifically targeting new UBW in progress (WIP). Subject to the availability of sufficient evidence, they would also take enforcement action against new UBW already completed. In light of the recommendation in the direct investigation report published by The Ombudsman last month, we are reviewing existing procedures and strategies to enhance enforcement effectiveness. Specifically on the area for improvement as identified by the report, the BD will broaden the definition of WIP to plug a loophole in enforcement. The BD will shortly issue clear guidelines to its staff concerned.

In order to address the issue of existing UBW, the then Housing, Planning and Lands Bureau set up a Working Group on Rationalisation of Unauthorised Building Works in New Territories Village Houses (Working Group) in 2006, with representatives of the Bureau, the departments concerned and representatives of the Heung Yee Kuk. The task of the Working Group was to devise, on the basis of The Ombudsman's recommendation and the overriding objective of ensuring public safety, a practical rationalization plan which would be acceptable to the public while taking into account the principles of legality, reasonableness and compassion. The Working Group has developed a proposed preliminary directional framework on the handling of existing UBW, but the legal issues involved and the implementation arrangement would require further discussion and examination. Since the establishment of the Development Bureau in 2007, we have escalated the issues relating to UBW to the SDEV-HYK Liaison Committee which I chair personally, for discussion and exchange of views from time to time. Broadly speaking, our aim is to ensure building safety and, taking reference from The Ombudsman's recommendation for a "rationalization scheme", draw up a practicable scheme for the regulation of different categories of UBW in NTEHs in a pragmatic manner.

- (b) Under the Small House Policy (SHP), a male person over 18 years old who is descended through the male line from a resident in 1898 of a recognized village in the New Territories in Hong Kong may apply to the authority for building a small house on a suitable lot once in their lifetime.

From the commencement of the SHP in December 1972 until 31 March 2011, the LandsD granted approval for a total of 36 094 small houses. Currently, 9 947 applications are still being processed.

The LandsD has not compiled statistics on or estimated the existing number of indigenous villagers in recognized villages, who are 18 years or above and are eligible but have not applied for a small house grant. It is because the number will change with the birth, growth and passing away of the indigenous villagers. Besides, whether or not an indigenous villager would apply for a small house grant is a matter for individual according to his own circumstances and wishes. Not all eligible indigenous villagers aged 18 years or above will submit an application.

The construction of small houses is in general restricted to inside the "village environs". There are 642 recognized villages approved by the LandsD. "Village environs" refers to a 300 ft distance surrounding a recognized village. Eligible indigenous villagers may apply for small house building within such an area.

Furthermore, with the application of the Town Planning Ordinance to the New Territories, some areas in the New Territories have been zoned for village-type development. Permission from the Town Planning Board (TPB) is required where the site proposed for building a small house is located inside the "village environs" but lies outside a village-type development area. Consideration will also be given to the application if the site concerned lies outside the "village environs" but is located within a village-type development area, provided that the village-type development area concerned surrounds or overlaps with the "village environs".

According to the LandsD, the total area covered by the "village environs" and village-type development area and which may be used for the construction of small houses is estimated to be 4 960 hectares. Of this, an estimated 1 640 hectares is currently still available for application. Since the recognized villages represent those villages which existed in 1898 and because the principle for delineation of the "village environs" (which, as I said earlier, refers to a 300 ft distance surrounding a village) has been firmly established with the Heung Yee Kuk (HYK), the question of extending the "village environs" to meet the demand for building small houses does not arise.

In the case of a small house proposed to be built outside the village-type development area (including the "village environs"), an application under section 16 of the Town Planning Ordinance has to be made to the TPB. Such applications will be considered on individual merits by the TPB, having regard to relevant TPB guidelines and other relevant factors (such as environment, transport and land use compatibility, and so on).

As the SHP and the question of UBW in village houses in the New Territories are two separate issues of different nature, I do not consider that the SHP would have an impact on the Administration's handling of UBW.

- (c) The exemption provided under the Buildings Ordinance (Application to the New Territories) Ordinance recognizes the relative simplicity of the layout and design of NTEHs. This notwithstanding, the LandsD may, upon issue of the Certificates of Exemption, impose conditions relating to safety aspects. In general, it requires the applicant to appoint a building contractor and a competent person to be responsible for the construction works. In addition, a Registered Structural Engineer or a Registered Professional Engineer should be appointed to supervise the construction of critical elements, including cantilevered balconies and canopies. The legislation and associated arrangement is compatible with the purpose of safeguarding building and public safety. It should not have any

adverse effect on how the Administration would handle the UBW issue.

In part (a) of this reply, I have addressed the question regarding the work and progress of the Working Group. Specifically, despite inherent differences between the regulatory regime for NTEHs and that for other buildings which are subject to the Buildings Ordinance, our primarily objective of ensuring building safety and safeguarding public interests applies equally to both. Our present policy direction is to adopt a two-pronged approach: First, curbing new UBW and in this regard, notwithstanding the significant difficulties in investigation and proof, we have adopted the same approach as that for the urban areas and will endeavour to enhance enforcement effectiveness. Second, as regards existing UBW, we will also take reference from the strategy of phased implementation and prioritization, which has been adopted in the urban areas for over a decade. In this context, we will strike at those UBW which are in serious breach of the rules and regulations, but will defer action on cases that are "safe, not serious" as suggested by The Ombudsman. We will further develop detailed proposals in this direction, with a view to early implementation. I shall also apprise the Panel of the details at a later stage and would welcome views from Members, the HYK and the public.

On Mr LEE's question regarding the SHP review, the existing SHP has been in place for a substantive period of time. Any major change would raise complicated legal, land use and planning issues which require very careful and critical examination. Given the complexities involved, we do not have a specific timetable for the progress of the review.

MR LEE WING-TAT (in Cantonese): *President, over the past decade, the Government has cleared 400 000 UBW, including those on rooftops, in the urban areas. I think the Secretary is giving preferential treatment to and tolerating village houses in the New Territories in allowing them to maintain and build rooftop glasshouses or UBW which are in serious breach of the law. How can she be considered as applying equal treatment?*

President, my follow-up question is this: It has been widely reported in the media that the village houses or residences of Members of the Legislative Council, including Mr CHAN Kam-lam, Mr CHEUNG Hok-ming, Mr WONG Yung-kan and Mr WONG Kwok-hing, as well as Under Secretary for the Environment, Dr Kitty POON, are found to have rooftop glasshouses or UBW that are in serious breach of rules and regulations. When will the Government carry out investigations into these UBW that are in serious breach of rules and regulations and when will clearance actions be taken to answer the Secretary's remark that equal treatment will be applied in the regulation of serious cases of UBW in the urban areas and in the New Territories?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, although Mr LEE did not ask me to respond to the first part of his question, I must point out that when handling UBW in buildings in the urban areas, we actually adopt a prioritization approach in enforcement. This is why we have spent over a decade to deal with as a priority UBW on the external walls which were then estimated to be 800 000 in number and which constituted a high risk to public safety. It was only on 1 April this year that we could launch a more comprehensive enforcement policy. I said earlier that we would make reference to the approach of enforcement in the urban areas, but it does not mean that we are not taking any enforcement action. This is only an approach of law enforcement, whereby cases are prioritized for handling.

As regards the cases of individual Members of this Council, officials and members of the public raised by Mr LEE in his question, the enforcement authorities will treat them equally. In other words, we will conduct inspections and enforce the law in accordance with the current enforcement policy and by way of the existing tools of enforcement. As Mr LEE should know very well, even for UBW in the urban areas, there are different tools of enforcement under the strategy of prioritization. In some cases, a clearance order is issued immediately, whereas in other cases, a notice of warning is issued under the law. But in some other cases, the UBW are followed up by way of advisory letters for the time being.

Therefore, whether in dealing with cases involving Members or government officials, the same policy and tools of enforcement will apply. We will handle each reported case according to the current enforcement policy. But

of course, if Members or officials think that they should do more to set a good example by proactively dealing with their UBW on their own initiative when they received an advisory letter, I believe it should be welcomed by the public.

PRESIDENT (in Cantonese): I wish to remind Members that under Rule 25 of the Rules of Procedure, Members must not mention the names of people in their questions.

MR LEE WING-TAT (in Cantonese): *President, my supplementary question was very specific. With regard to those UBW in serious breach of the law which belong to colleagues in the Legislative Council and government officials whose names have been disclosed, when will the Secretary carry out investigations and clearance actions? She did not answer this supplementary question.*

PRESIDENT (in Cantonese): Secretary, please give an answer on the time for carrying out investigations and clearance actions.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have actually answered that. I said that we will carry out inspection or examination on all reported cases in accordance with the current enforcement work, after which we will handle the cases with the different tools of enforcement that I have just mentioned in accordance with the current enforcement policy.

MRS SOPHIE LEUNG (in Cantonese): *President, I would like to ask the Secretary this question. It is mentioned in the main reply that The Ombudsman proposed that the authorities should explore ways for "rationalization of existing UBWs that are safe, not serious and thus tolerable". Does it mean that, as a Member pointed out on behalf of the HYK some time ago, the rationalization scheme will encompass three proposals, including granting exemption of clearance for rooftop structures which do not constitute threats to public safety and are not meant for housing purposes after payment of premium in order to legalize them, and also clearing excessive additional storeys? Does it mean that the same rationale will be used for handling the cases? Moreover, how will this*

be done, and will other more original proposals be put forward? When will an announcement be made?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, first of all, I wish to clarify once again that the word "rationalization" definitely does not mean legalizing structures that are illegal or in breach of rules and regulations. This is what I can point out with certainty. By "rationalization" — I have told Members its origin earlier on — as far as I understand it, it means that when certain sufficient evidence is available, we can rationalize certain things or procedures, and in the process, we can improve the efficiency or reduce wastage. Back then The Ombudsman very much agreed or appreciated that the enforcement agency might not be able to resolve the problem in a short time given the magnitude of the problem both in coverage and in quantity. This was why they came up with this concept. If this concept is interpreted in a way which makes Members think that the Administration or I myself seek to legalize something which is illegal, I must clarify it here.

In response to Mrs Sophie LEUNG's supplementary question, in part (c) of my main reply I have actually pointed out in more specific terms the proposal under our consideration now. Instead of describing it as "rationalization", we had better use the wording of Mr LEE Wing-tat in his question and that is, we are imposing regulation according to the types of UBW and then, we will handle the UBW in an orderly manner. In order to impose regulation according to the types of UBW, as I already pointed out, a two-pronged approach is adopted under the legislative framework. Therefore, be it new UBW or UBW in progress, the same enforcement actions will be taken on them.

Second, insofar as the existing UBW are concerned, for UBW that are in serious breach of rules and regulations, we will strike at them — I used the words "strike at them" — because we must deal with them seriously and solemnly. But for the so-called "safe, not serious" cases on which actions are deferred, we need to further discuss them with the HYK, or through my discussion with Members at meetings of the Panel. I hope we can come up with a pragmatic approach to handle it.

DR PRISCILLA LEUNG (in Cantonese): *President, insofar as the question of UBW is concerned, I think there are actually UBW that are in serious breach of rules and regulations in the urban areas. There were these structures at 45J Ma Tau Wai Road, To Kwa Wan. These structures were not demolished despite the issuance of many orders.*

But recently, the public are concerned about such a large number of UBW in village houses in the New Territories. Whenever I visit my friends in the New Territories, I can see these UBW in each and every house. I used to think that there might be certain tacit understanding in terms of policy, or there might be reasons that I did not know. But now, I would like to ask a supplementary question

PRESIDENT (in Cantonese): Dr LEUNG, please make your supplementary question as concisely as possible.

DR PRISCILLA LEUNG (in Cantonese): *Yes. Can this principle of rationalization actually apply to the urban areas as well? This is, in fact, very simple. The problem lies only in unequal treatment. There are also serious cases of UBW in the urban areas, but can this spirit of rationalization also apply to the urban areas?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, in response to the supplementary question of Mrs Sophie LEUNG, simply put, the answer is in the negative. As I pointed out earlier on, there are very clear, explicit stipulations for buildings in the urban areas or buildings subject to the Buildings Ordinance. So, this is an entirely different regime from the regulation in the New Territories which only stipulates requirements on the height or specific area restrictions. Therefore, if buildings in the urban areas which are subject to the Buildings Ordinance are in breach of the law, they would be considered as breaches.

However, as Members may recall, we are also pragmatic. When examining the minor works control system, Members raised concern about

facilities which are really necessary in daily life, such as drying racks, supporting frames for air conditioners, and small canopies. Even in respect of advertising signboards which are recently under our discussion as to whether there is a need to impose regulation on them, Members said pragmatically that since so many signboards have been erected by so many people for business purposes, their demolition in one go may really create too great an impact. Therefore, in handling those several types of minor facilities which are necessary in daily life or the advertising signboards to be placed under regulation later, we will adopt a certain validation scheme, rather than requiring the demolition of all of them. So, we work in the same spirit. This is only an alternative handling approach, not really "rationalization", so to speak.

Mrs LEUNG said from her observation that there seemed to be so many of these UBW in the New Territories. The structure of the NTEHs is — if I can put it this way — rather rudimentary. It is very "blunt" in that a specific size is stipulated, such as 700 sq ft for the roofed-over area and a height of 27 ft. Any structure or building which exceeds these limits is theoretically in breach of the rules and regulations.

That said, we can see that in the urban areas, there are indeed facilities which are known as environmentally-friendly facilities or facilities for comfortable living, such as the supporting frames for air conditioners, solar water heater on rooftops, and so on. By today's standard, they are still considered UBW. But in the context of imposing regulation according to the types of UBW, I hope that they can be handled with a pragmatic approach. Insofar as these village houses in the New Territories are concerned, considering the public's aspiration for the level of comfort in their living or their aspiration for environmental protection as society advances, we can provide a channel for retaining these facilities. It is in this spirit that we are considering this proposal.

PRESIDENT (in Cantonese): There are still seven Members waiting to ask questions. But as we have spent more than 25 minutes on this question, we cannot continue with it any longer. Last oral question.

Implementation of and Public Education on Hong Kong Bill of Rights Ordinance

6. **MR ALBERT HO** (in Cantonese): *President, the former Legislative Council enacted the Hong Kong Bill of Rights Ordinance (HKBORO) in June 1991, empowering the local Courts to rule on cases of violation of the provisions of the International Covenant on Civil and Political Rights (ICCPR) as applicable to Hong Kong, and to provide redress through the HKBORO for cases of violation. The British Hong Kong Government later established the Human Rights Education Working Group under the Committee on the Promotion of Civic Education to educate the public on the various rights guaranteed under the HKBORO, raise public awareness on the rule of law and human rights protection, and enhance the effectiveness of the HKBORO. Yet, the SAR Government disbanded the Human Rights Education Working Group in 2007. Regarding the implementation and promotion of the HKBORO, will the executive authorities inform this Council:*

- (a) of the reasons for not making consequential amendments to all the statutory provisions which have been ruled by the Court to be in contravention of the HKBORO;*
- (b) since this year marks the 20th anniversary of the enactment of the HKBORO, whether the authorities will take this opportunity to organize events to promote human rights education among the public; and*
- (c) whether it will establish the Human Rights Education Working Group afresh and set up a human rights commission to promote public education on the HKBORO and monitor the implementation of the HKBORO and ICCPR?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, my reply to the question is as follows:

- (a) In Hong Kong, rights of the individual are protected by the Basic Law at the constitutional level, and by the Hong Kong Bill of Rights Ordinance (HKBORO) and the legislation in relevant areas. There

are around 1 000 judgments (excluding oral judgments) which included references to the HKBORO according to the relevant System, with the more important cases, in general, indicated in the System as being reported in the Authorized Hong Kong Law Reports & Digest. Of these reported cases, those in which the Court has, since the establishment of the Hong Kong Special Administrative Region (HKSAR), held the relevant statutory provisions, policies or measures (or part of them) of the Administration to be inconsistent with the HKBORO, are listed at Annex. The Annex also shows how the Administration has taken appropriate follow-up actions in respect of the cases where the Court has held the statutory provisions to be inconsistent with the HKBORO, including introduction of or amendments to legislation, or reviewing relevant matters. The above is my reply to part (a) of the question.

(b) and (c)

Throughout the years, the Government has been actively promoting human rights as guaranteed under the Basic Law, the HKBORO and relevant international human rights treaties as applied to Hong Kong. Promotion work has been carried out through various channels, including sponsorship for non-governmental organizations (NGOs) to organize promotional activities, educational programmes at schools, roving exhibitions, media campaigns in the form of television and radio announcements in the public interest, publication and distribution of bilingual and comic booklets on the text of the human rights treaties applied to the HKSAR, and training of government officials to enhance their knowledge on human rights. The Equal Opportunities Commission (EOC) and other relevant organizations also conduct public education and publicity programmes to raise awareness and promote better understanding of relevant human rights concepts in the community. This is our ongoing work and the efforts will continue this year.

As regards education, the Education Bureau has included human rights education in the relevant learning area and subject curriculum of primary and secondary schools to provide a comprehensive curriculum incorporating knowledge, skills, and values/attitudes for students. The Publicity Subcommittee under the Committee on the

Promotion of Civic Education is currently responsible for the promotion of various civic values, including the rule of law, social justice and human rights education.

In the HKSAR, human rights are fully protected by law and buttressed by the rule of law and an independent Judiciary. There is also an existing institutional framework of organizations which help promote and safeguard different rights, including the EOC, the Office of the Privacy Commissioner for Personal Data, The Ombudsman, and the legal aid services. The Government's work in promoting and safeguarding human rights is open to scrutiny through regular reports to the United Nations and is under the constant scrutiny of the Legislative Council, the media and the NGOs.

The Administration considers that the existing mechanisms on the protection and promotion of human rights have worked well. There is no obvious need for establishing another human rights institution to duplicate the functions of or supersede the existing mechanism, and the Administration has no plan to establish the Human Rights Education Working Group afresh.

Annex

Statutory Provisions, Policies and Measures Held by the Court to be Inconsistent with the Hong Kong Bill of Rights Ordinance since the Establishment of the HKSAR

| | <i>Case name</i> | <i>Case number</i> | <i>Date of judgment</i> | <i>Issue</i> | <i>Action taken by the Administration in response to the judgment</i> |
|----|-----------------------------------------------------------------------------|--------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Lam Tat Ming v Chief Executive of HKSAR and Secretary for the Civil Service | HCAL 121/2009 | 1/11/2010 | The Secretary for the Civil Service's exercise of power under the Pension Benefits Ordinance (Cap. 99) to refuse a pension | The Administration has lodged an appeal to the Court of Appeal. Appeal to be heard in December 2011. |
| 2. | Wong Tak Wai v Commissioner of Correctional Services | CACV 231/2009 | 21/7/2010 | The standard of proof in prisoner disciplinary proceedings conducted by the Correctional Services Department (CSD) | The CSD has adopted a standard of proof from balance of probabilities to beyond reasonable doubt in conducting prisoner disciplinary proceedings as advised by the Court. |
| 3. | Yao Man Fai George v | HCAL | 21/6/2010 | The one-year continuous | The Social Welfare Department |

| | <i>Case name</i> | <i>Case number</i> | <i>Date of judgment</i> | <i>Issue</i> | <i>Action taken by the Administration in response to the judgment</i> |
|----|--------------------------------------------------------|--------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Director of Social Welfare | 69/2009 | | residence requirement under the Comprehensive Social Security Assistance Scheme | has ceased to execute the requirement. The Administration has lodged an appeal against the High Court judgment, which will be heard in July 2011. |
| 4. | Lam Siu Po v Commissioner of Police | FACV 9/2008 | 26/3/2010 | Legal representation at disciplinary hearings under regulations 9(11) and (12) of the Police (Discipline) Regulations (Cap. 232A) | Action is in hand to amend, among other things, regulations 9(11) and (12) of the Police (Discipline) Regulations to allow for legal representation at disciplinary hearings where fairness so requires. Disciplined services departments have put in place interim administrative arrangements to consider requests for legal representation at disciplinary hearings from defaulters pursuant to the principle of fairness. |
| 5. | Chan Kin Sum Simon v Secretary for Justice and another | HCAL 79/2008 | 8/12/2008 | Across-the-board restrictions on prisoners' right to be registered as electors and to vote | The Administration introduced the Voting by Imprisoned Persons Bill into the Legislative Council in May 2009 to remove the disqualification of imprisoned persons and persons convicted of certain election-related or bribery offences from being registered as electors and from voting in elections. The Bill came into operation in October 2009. The Electoral Affairs Commission made amendment regulations to provide for the detailed practical arrangements. |
| 6. | Leung Kwok Hung v Secretary for Justice and another | HCAL 82/2008 | 8/12/2008 | | |
| 7. | Choi Chuen Sun v Secretary for Justice and another | HCAL 83/2008 | 8/12/2008 | | |
| 8. | Koon Wing Yee v Insider Dealing Tribunal | FACV 19/2007 | 18/3/2008 | The power under section 23(1)(c) of the Securities (Insider Dealing) Ordinance (SIDO) (Cap. 395) to impose a penalty | The Insider Dealing Tribunal (IDT) has ceased making penalty order. The SIDO was repealed in April 2003 following the enactment of the Securities and Futures Ordinance (SFO) (Cap. 571). Under SFO, the Market Misconduct Tribunal, which has taken over the role of the IDT, does not have any power to impose penalty. |
| 9. | Secretary for Justice v | FACC | 17/7/2007 | Some of the existing sexual | The Law Reform Commission |

| | <i>Case name</i> | <i>Case number</i> | <i>Date of judgment</i> | <i>Issue</i> | <i>Action taken by the Administration in response to the judgment</i> |
|-----|-------------------------------------------------------------------------------------|--------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yau Yuk Lung Zigo and another | 12/2006 | | offences under the common law and statute law including the provisions under the Crimes Ordinance (Cap. 200) | appointed a Subcommittee in April 2006 to review the issue. |
| 10. | Leung TC William Roy v Secretary for Justice | CACV 317/2005 | 20/9/2006 | | |
| 11. | Leung Kwok Hung and another v Chief Executive of the HKSAR | HCAL 107/2005 | 9/2/2006 | Section 33 of the Telecommunications Ordinance (Cap. 106) which authorizes or allows access to or disclosure of the contents of any message | In line with the judgment, section 33 of the Telecommunications Ordinance was amended under the Interception of Communications and Surveillance Ordinance in August 2006. |
| 12. | Leung Kwok Hung and others v HKSAR | FACC 1/2005 | 8/7/2005 | The interpretation of 'public order' in sections 14(1), 14(5) and 15(2) of the Public Order Ordinance (Cap. 245) | The police have issued Guidelines on the handling of public meetings and public processions to the police officers. |
| 13. | Leung Kwok Hung and others v HKSAR | FACC 2/2005 | 8/7/2005 | | |
| 14. | Director of Immigration v Lau Fong | FACV 10/2003 | 26/3/2004 | The applicability of sections 4(1)(a), 7(1), 11(10) and 18 and detention pursuant to section 26 of the Immigration Ordinance to a person having an unexpired permission to remain in Hong Kong and supported by holding of an identity card | Starting from March 2005, the Immigration Department would determine resident status prior to removal of a non-permanent resident who has obtained permission to stay by deception. |
| 15. | Wong Kam Kuen v Commissioner for Television and Entertainment Licensing and another | CACV 41/2003 | 30/7/2003 | The licence conditions for Amusement Game Centres (AGCs) imposed by the Television and Entertainment Licensing Authority (TELA) | TELA has revised the AGC licence conditions. Licensees of and game suppliers for Adult AGCs are no longer obliged to submit games to TELA for vetting before installation. The sexual, violent and gambling contents in games are subject to control under relevant legislation. |
| 16. | Secretary for Justice and others v Chan Wah and others | FACV 11/2000 | 22/12/2000 | (a) The 1999 electoral arrangements used in the Village Representative elections in the Shek Wu Tong and Po Toi O villages (b) The authority of the Secretary for Home Affairs in approving Village Representatives elected from electoral arrangements which are inconsistent with HKBORO | A new set of arrangements as regulated under the Village Representative Election Ordinance (Cap. 576) was enacted in February 2003. |
| 17. | Ng Ka Ling and | FACV | 26/2/1999 | (a) Whether the Immigration | Paragraph 1(2) of Schedule 1 to |

| | <i>Case name</i> | <i>Case number</i> | <i>Date of judgment</i> | <i>Issue</i> | <i>Action taken by the Administration in response to the judgment</i> |
|-----|------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| | another v Director of Immigration | 14/1998 | | (Amendment) (No. 3) Ordinance 1997 has retrospective effect | the Immigration Ordinance was amended in July 1999. |
| 18. | Tsui Kuen Nang v Director of Immigration | FACV 15/1998 | 26/2/1999 | (b) The definition of | |
| 19. | Director of Immigration v Cheung Lai Wah | FACV 16/1999 | 26/2/1999 | "permanent residents of the HKSAR" under Schedule 1 to the Immigration Ordinance | |
| 20. | The Association of Expatriate Civil Servants of Hong Kong v Chief Executive of the HKSAR | HCAL 90/1997 | 3/4/1998 | Section 17 of the Public Service (Administration) Order which restricted an officer on interdiction from leaving Hong Kong without the permission of the Chief Executive | Section 17 of the Public Service (Administration) Order was repealed in April 2000. |

MR ALBERT HO (in Cantonese): *President, although this year marks the 20th anniversary of the enactment of the HKBORO, the Government has not set aside any resources for publicity, education and promotion to commemorate it. And meanwhile it has refused to re-establish the Human Rights Education Working Group which was disbanded in 2007.*

However, the Government is prepared to spend several hundred million dollars this year on the implementation of national education. In contrast, the Committee on the Promotion of Civic Education (CPCE) was allocated only \$300,000 for the promotion of human rights education in 2008 and 2009. We can see that there is a serious imbalance in the allocation of resources between national education and human rights education. As commented by Dr LEUNG Yan-wing, an academic from The Hong Kong Institute of Education, all national education promoted by the Government is for the purpose of brainwashing people and human rights education is necessary as a balance.

President, my supplementary question is: Why does the Government only put emphasis on national education to the complete neglect of human rights education? Will the Government, by taking the opportunity that this year marks the 20th anniversary of the enactment of the HKBORO, formulate anew policies for strengthening human rights education as a balance to prevent national education from being reduced to be a kind of brainwashing education and ensure

that human rights awareness and patriotic and civic awareness can take root in our civic culture in a balanced way?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I think the two cannot be directly compared because after Hong Kong's reunification, there is really a need to implement and promote national education in the Hong Kong community. Given that our country is developing in leaps and bounds, the development of the SAR ties in with that of the Mainland socially, economically and in respect of people's livelihood. National education is certainly important, and so is human rights education. The SAR Government attaches great importance to the protection of human rights, including the promotion of individual rights and the provision of support services for ethnic minorities.

A provision of \$153 million has been earmarked under programme (4) of the expenditure estimated of the Constitutional and Mainland Affairs Bureau, while under programme (5), there are other in addition to the provision under programme (5), we have earmarked a total provision of \$153,200,000. The provision under programme (4) is for the protection of individual human rights and related education while the provision under programme (5) is for the annual expenditure of the EOC and Office of the Privacy Commissioner for Personal Data. The Home Affairs Bureau has now taken over the support services for ethnic minorities. A total provision of more than \$178 million has been earmarked for this purpose under our two bureaux, including the expenditure of \$26.3 million on support services for ethnic minorities provided by four support service centres. This shows that the Government has attached importance to the work in respect of human rights.

MS EMILY LAU (in Cantonese): *President, the Human Rights Education Working Group mentioned by Mr Albert HO just now was established in 2005 but disbanded in 2007. The Working Group was established to undertake three tasks, President, that is: first, to conduct the first territory-wide survey on human rights awareness; second, to update teaching materials on human rights; and third, to organize international seminars on human rights. Now these tasks have all gone like a gust of wind, President.*

The University of Hong Kong has in fact been commissioned to carry out the survey and more than half of it has been completed. But the Government would rather have it suspended and pay compensation to the University. Is the Government afraid of knowing the findings of the survey? Just take a look at some recent incidents such as those concerning AI Weiwei and the June 4 incident and we will know that human rights awareness in Hong Kong is high. The Secretary is reluctant to re-establish the Working Group, but its three tasks are worth pursuing. So, President, may I ask which Policy Bureau or department was originally given charge to undertake these three tasks at that time?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, let me give a brief response. One of the publicity activities conceived by the Working Group under the CPCE was to organize international seminars on human rights when it was established in 2005. But the CPCE ultimately did not submit the actual proposal to the bureau for reference.

The baseline survey on human rights awareness was a plan conceived by the Human Rights Education Working Group under the CPCE in 2007. But we believe there are adequate channels to reflect the human rights situation in Hong Kong, including discussions in the Legislative Council, reports by the media and monitoring by various human rights organizations. As Hong Kong is a highly open and free society, we do not see any need to such surveys afresh. Given that our human rights situation has been subject to monitoring by various human rights organizations and Hong Kong is an open and free society, we do not see any need to conduct such survey afresh.

Regarding the Human Rights Education Working Group, it was not transferred to our Policy Bureau when the Government Secretariat was restructured in 2007. On the other hand, the CPCE decided in late 2007 that it would take over the promotion work of human rights. So the Working Group has since ceased operation.

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

MS EMILY LAU (in Cantonese): *The Secretary has not answered my question about updating the teaching materials on human rights. Who is responsible for the work now?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): *President, it is also the work to be handled by the CPCE.*

MR JAMES TO (in Cantonese): *President, frankly speaking, we all feel very disheartened to see that human rights education is being promoted by a government and its officials who will only flatter their superiors. However, as Legislative Council Members, we still have to ask questions on this. President, the implementation of the Charter of the United Nations and ICCPR in Hong Kong has in fact imposed on Hong Kong a very heavy responsibility, that is, to promote the fundamental values of ICCPR to Hong Kong people.*

President, if you make reference to the cases set out in the Annex, you will know that the crux of the majority of these cases is only related to the protection of individuals from infringement by the Government. But just now, we have heard that the Government has to spend \$100 million on the promotion of the so-called national education and patriotic education, that is, brainwashing education. Meanwhile, in promoting public awareness of protecting their rights, in particular, the awareness of protection from infringement by the Government, the relevant work has been piecemeal, disorganized, suppressed and narrowing.

President, may I ask the Government whether it basically does not want to deal with the work concerning the promotion of human rights awareness? Or is the Government simply afraid that if human rights awareness is actively promoted in Hong Kong, people will come to realize that violations of human rights frequently occur in our country and the situation is very bad when patriotism is on hard sell? Is it because of this reason that the Government has scruples and decided to curb the promotion of human rights education in Hong Kong. Is the Government particularly afraid that visitors under the Individual Visit Scheme from the Mainland can participate in such activities when these are held?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I think the argument of Mr James TO is unfounded. In Hong Kong, human rights are protected as constitutional provisions have been laid down comprehensively in the Basic Law and a number of international human rights treaties are also applied to Hong Kong. Over the years, the application of these human rights treaties to Hong Kong tallies with the fact and a legal basis has also been put in place for the purpose.

If Members care to note the Annex of the main reply, they will know that the decisions of the Court of Final Appeal and Courts of the Hong Kong SAR are respected in various policy areas and corresponding changes have been made to policies and legislation. For example, firstly, in respect of elections, given the Court ruling in relation to the village representative elections in December 2000, legislation has been enacted to regulate the election of village representatives. About two years ago (in late 2008), the Court also handed down a ruling in relation to the voting rights of prisoners. Subsequently the law was amended in more than six months to the effect that arrangements would be made to facilitate voting by prisoners and persons held in custody inside the penal institutions of the Correctional Services Department.

As for other aspects such as the scope of the jurisdiction of the Security Bureau, a judgment was delivered by the Court in relation to the Public Order Ordinance in July 2005 and subsequently the police revised the guidelines for dealing with public processions accordingly.

Thirdly, concerning the interception of communications and covert surveillance which is a pet concern to Mr James TO, in the light of the Court decision in February 2006, legislation has been enacted on interception of communications and covert surveillance subsequently.

President, I have cited these examples in the hope that Members will understand that in some key areas and areas where decisions have been made by the Court, the SAR Government has dealt with the matter entirely in accordance with the rule of law upheld in Hong Kong and an open, impartial and transparent procedure. Our protection of human rights does not only lie in the promotional efforts but also effective implementation.

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

MR JAMES TO (in Cantonese): *No, he has only mentioned that when the Court makes a ruling against the Government, the Government would take measures accordingly.*

President, what I mean is that when the promotion of human rights conflicts with the principles of national and patriotic education (brainwashing education) is suppression imposed because the Government is always found to have infringed upon the people's rights and afraid that the people will make reference to the situation in the Mainland? I am not saying that he has not implemented the rulings of the Court.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Sorry, President, I cannot agree to the allegation by Mr James TO. The SAR Government does not adopt a passive role in the protection of human rights. The Administration took the initiative to enact the HKBORO and conducted a comprehensive review of 600 pieces of Hong Kong legislation before and after the enactment of the relevant law. Therefore, the Government took the initiative at that time to ensure that Hong Kong's statutory laws were in line with international human rights treaties and the human rights protection enjoyed by Hong Kong people under the Basic Law after 1997.

Secondly, apart from regular reviews of the prevailing legislation, we will, whenever legislation is being enacted, ensure that the legislative provisions and arrangements are compatible with the extent of human rights protection under the Basic Law.

Thirdly, as I have explained just now, although we have set out only a dozen of areas, Members can see that in many key areas, we have not only taken the initiative but also dealt with policies that require adjustment and laws that need revision in the light of the court decisions.

Finally, regarding human rights education which is a concern of all Members, we have also made a lot of efforts. The subject of human rights has

been included in primary and secondary school curricula by the Education Bureau and the CPCE will continue to conduct education and promotion every year. In my bureau, promotional efforts have also been made in respect of children's rights and gender discrimination.

MR JAMES TO (in Cantonese): *President, should not a clarification be made by the Government? Just now he made a mistake in his reply. He said that the SAR Government had enacted the HKBORO, but it should be the British Hong Kong Government.*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): *President, in fact I said "the Administration".*

PRESIDENT (in Cantonese): *I did not hear the Secretary say "SAR Government".*

We have spent 20 minutes on this question. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Hong Kong Diploma of Secondary Education Examination Fees

7. **MR CHEUNG MAN-KWONG** (in Chinese): *President, it has been learnt that there will be an estimated number of about 77 100 students taking the Hong Kong Diploma of Secondary Education (HKDSE) Examination in 2012; and the Hong Kong Examinations and Assessment Authority (HKEAA) has recently proposed the examination fee schedule for HKDSE as follows: Language subjects will be charged at \$540 per subject entry and non-language subjects at \$360 per subject entry, and as such, if a student takes two language subjects and four non-language subjects, the total examination fee is \$2,520. While the examination fee level is comparable to that of the Hong Kong Advanced Level Examination (HKALE) (for example, the examination fee for taking two Advanced Supplementary Level (AS-Level) language subjects and three Advanced Level (A-Level) non-language subjects is \$2,508), it may be more than 1.6 times*

higher than that of the Hong Kong Certificate of Education Examination (HKCEE) (for example, the examination fee for taking two language subjects and five non-language subjects is \$966, calculated at the fee level of 2011). In this connection, will the Government inform this Council whether it knows:

- (a) the respective estimated costs to the HKEAA for organizing examinations of HKDSE language and non-language subjects in 2012, broken down by all subheads under staff cost, expenses of other personnel, as well as administrative and other operating fees;*
- (b) the respective estimated costs for examinations of HKDSE language and non-language subjects calculated on a per candidate and per subject basis; among such costs, the respective amounts of staff cost, expenses of other personnel, as well as administrative and other operating fees, and the respective percentages of such amounts in the relevant examination fee (that is, \$540 or \$360) of each subject;*
- (c) all non-recurrent expenditure items with regard to examinations of HKDSE that the HKEAA had requested government funding, the amount allocated and the year of funding application for each item, as well as the total amount of allocation;*
- (d) the respective estimated costs to the HKEAA for organizing examinations of HKCEE and HKALE language and non-language subjects in 2011, broken down by all subheads under staff cost, expenses of other personnel, as well as administrative and other operating fees; and*
- (e) the respective estimated costs for HKCEE and HKALE language and non-language subjects in 2011 calculated on a per candidate and per subject basis; among such costs, the respective amounts of staff cost, expenses of other personnel, and administrative and other operating fees, and the respective percentages of such amounts in the relevant examination fee of each subject?*

SECRETARY FOR EDUCATION (in Chinese): President, the HKDSE is a new qualification introduced under the New Academic Structure. Instead of just

simply stating the "fail"/"pass" grades of students, it suits the needs of the 21st century by recognizing comprehensively the achievements and the abilities in different aspects of all students. It is therefore inevitable that the HKDSE Examination offers more subject choices, for example, Applied Learning and other foreign languages. In 2012 HKDSE Examination, apart from the four core subjects, there are also elective subjects including 20 New Senior Secondary (NSS) subjects, 30 Applied Learning Courses and six foreign languages subjects.

There are innovative and sophisticated assessment designs, and more rigorous processes to enhance the quality and credibility of this examination, for example, Standard-Referenced Reporting (SRR), expansion of onscreen marking, double marking and enhancement of school-based assessment. It should be noted that under the old academic system, students have to sit for the HKCEE after completion of Secondary Five, and then the HKALE after completion of Secondary Seven for admission to universities. With the implementation of the HKDSE Examination in 2012, a NSS student is required to sit for one public examination only, that is, HKDSE Examination for admission to a variety of local and overseas study pathways and for work in order to fulfil their different study and career aspirations after completion of senior secondary education. My reply to the questions raised by Mr CHEUNG Man-kwong is as follows:

(a) and (b)

The examination fee levels for the HKDSE Examination are basically derived from the overall cost of conducting the examination by the HKEAA. This is in line with the principle of overall cost recovery instead of cost recovery on an individual candidate basis and is applicable to all other public examinations. Due to the longer examination duration, the greater number of papers including speaking, listening, integrated skills, reading and writing, and the implementation of double marking to suitable papers, the examination fee for language subjects is higher. The cost breakdown of the language subjects and non-language subjects of 2012 HKDSE Examination is set out in Table (1) below; while the cost per subject entry and the percentage of examination fee to cost per subject entry are set out in Table (2) below:

Table (1)

| | <i>Staff costs⁽¹⁾ (\$ million)</i> | <i>Examination Personnel costs⁽²⁾ (\$ million)</i> | <i>Administration/ Operating costs⁽³⁾ (\$ million)</i> | <i>Overhead⁽⁴⁾ (\$ million)</i> | <i>Total costs (\$ million)</i> |
|-----------------------|---------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------|-------------------------------------|
| Language subjects | 20.42 | 31.2 | 19.16 | 13.86 | 84.64 |
| Non-Language subjects | 30 | 45.84 | 28.15 | 20.37 | 124.36 |

Notes:

- (1) The HKEAA needs a large number of manpower for planning and arranging the first HKDSE Examination and related transitional matters. The staff cost covers the salaries, and so on, of the staff of the HKEAA responsible for the development and related administrative work of the 2012 HKDSE Examination, such as operation of examination systems, development of examination papers, processing of registration data, allocation of examination centres, preparation and processing of examination materials, co-ordination of script marking, processing of examination results, and compilation of examination statistics and reports, and so on.
- (2) Examination personnel costs include the payments to the examination personnel such as setters, moderators, markers, invigilators, centre supervisors, examiners, and so on, appointed for the 2012 HKDSE Examination. Taking markers as an example, the 2012 HKDSE Examination requires about 4 000 markers, which is about two times that of the 2011 HKALE.
- (3) Administration and Operating costs cover the administrative and operating expenses such as running cost of the onscreen marking centres and offices, rental of examination venues, and expenses of postage, examination facilities, printing, scanning, stationery and transport, and so on. In 2012 HKDSE Examination, there are about 1.6 million examination papers to be processed, which is about three times that of the 2011 HKALE. To enhance the credibility and quality of examinations, the HKEAA will also implement various systems and measures, such as oral examination recording and expansion of onscreen marking, and so on, in 2012 HKDSE Examination.
- (4) Overhead is a share of the corporate expenses on internal infrastructure.

Table (2)

| | <i>Projected subject entries</i> | <i>Cost per subject entry</i> | <i>Examination fee</i> | <i>Percentage of examination fee to cost per subject entry</i> |
|-----------------------|------------------------------------------|-----------------------------------|----------------------------|----------------------------------------------------------------------------|
| Language subjects | 153 106 | \$552.8 | \$540 | 97.7% |
| Non-Language subjects | 336 794 | \$369.2 | \$360 | 97.5% |

Costs of examination are affected by several main factors, including number of papers, paper complexity, number of examiners and markers required, and so on. The HKEAA will review its cost saving measures continuously to ensure a reasonable cost in

conducting the public examination without jeopardizing the standards and quality. In conducting the manpower planning and staff development, the HKEAA has suitably engaged contract staff to handle the transitional and one-off project needs in order to facilitate the planning and handling of variations in manpower requirements over the coming few years.

- (c) The HKEAA is a statutory body which operates on a self-financing basis. It finances its recurrent operation with its own income and assets. It does not receive any recurrent subvention from the Government. Yet, given that the HKEAA is the only statutory assessment authority in Hong Kong and a strategic partner of the Government in providing quality education and supporting the NSS academic structure, the Government has provided non-recurrent funding to the HKEAA for justifiable public examination initiatives. The non-recurrent government grants provided to the HKEAA in the past and are directly related to HKDSE Examination are set out in Table (3) below:

Table (3)

| | <i>Item</i> | <i>Finance Committee Approval Date</i> | <i>Amount of Grant (\$ million)</i> |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|
| 1 | Measures to support the development of the new academic structure for senior secondary education and higher education, grants given to the HKEAA include: | 24 June 2005 | |
| | (i) Development of practice paper in preparation for the 2012 HKDSE Examination | | 70.461 |
| | (ii) School-Based Assessment training | | 31.9 |
| | (iii) Assessment development and training for Applied Learning subjects | | 8.818 |
| 2 | Development of the HKDSE Examination system | 9 January 2009 | 152.309 |

(d) and (e)

The examination fee structure of the HKCEE and HKALE also categorizes the subjects into language and non-language. Due to the longer examination duration, the greater number of papers including speaking, listening, integrated skills, reading and writing, and the implementation of double marking to suitable papers, the cost for language subjects is also higher than non-language subjects. The cost breakdown of the language subjects and non-language subjects of 2011 HKCEE and 2011 HKALE is set out in Table (4) below; while the cost per subject entry and the percentage of examination fee to cost per subject entry are set out in Table (5) below:

Table (4)

| | <i>Staff costs (\$ million)</i> | <i>Examination Personnel costs (\$ million)</i> | <i>Administration/ Operating costs (\$ million)</i> | <i>Overhead (\$ million)</i> | <i>Total costs (\$ million)</i> |
|----------------------------------|-------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------|-------------------------------------|
| <i>2011 HKCEE⁽⁵⁾</i> | | | | | |
| Language subjects | 20.97 | 7.73 | 8.84 | 10.67 | 48.21 |
| Non-Language subjects | 6.52 | 2.4 | 2.74 | 3.31 | 14.97 |
| <i>2011 HKALE</i> | | | | | |
| Language subjects | 16.98 | 18.56 | 8.34 | 11.56 | 55.44 |
| Non-Language subjects (A-Level) | 12.9 | 14.1 | 6.34 | 8.78 | 42.12 |
| Non-Language subjects (AS-Level) | 1.28 | 1.39 | 0.62 | 0.88 | 4.17 ⁽⁶⁾ |

Notes:

- (5) 2011 HKCEE is the last HKCEE organized for private candidates. The number of candidates, subject entries, ratio of language and non-language subject entries, and costs are significantly different from the HKCEE conducted for school candidates and private candidates in a normal year.
- (6) In 2011, the number of subject entries for AS-Level non-language subject is about 20% of the A-Level non-language subject.

Table (5)

| | <i>Projected subject entries</i> | <i>Cost per subject entry</i> | <i>Examination fee</i> | <i>Percentage of examination fee to cost per subject entry</i> |
|----------------------------------------|------------------------------------------|-----------------------------------|----------------------------|----------------------------------------------------------------------------|
| <i>2011 HKCEE</i> | | | | |
| Language subjects | 40 297 | \$1,196.4 | \$198 | 16.5% ⁽⁷⁾ |
| Non-Language subjects | 21 907 | \$683.3 | \$114 | 16.7% ⁽⁷⁾ |
| <i>2011 HKALE</i> | | | | |
| Language subjects | 75 630 | \$733 | \$612 ⁽⁸⁾ | 83.5% |
| Non-Language subjects (A-Level) | 86 125 | \$489.1 | \$408 ⁽⁸⁾ | 83.4% |
| Non-Language subjects (AS-Level) | 17 155 | \$243.1 | \$204 ⁽⁸⁾ | 83.9% |

Notes:

- (7) 2011 HKCEE is the last HKCEE organized for private candidates. Due to the considerable reduction in the candidature, while the costs for conducting the examination would not be reduced proportionately, in December 2010, the Finance Committee approved a Grant to the HKEAA for meeting the expenses in conducting the examination and the 2013 HKALE for private candidates.
- (8) The examination fees for 2012 HKALE language subjects, non-language subjects (A-Level) and non-language subjects (AS-Level) are \$627, \$418 and \$209 respectively.

World Trade Organization Doha Round of Multilateral Trade Negotiations

8. **MR JEFFREY LAM:** *President, it has been reported that the World Trade Organization's Doha Development Agenda (Doha Round) of trade negotiations, which was launched in 2001 aiming at trade liberalization, has remained at an impasse despite the approaching deadline for its closure, and there is increasing evidence suggesting its faltering progress — in particular in respect of the area of services that is critically important to Hong Kong. Regarding the aforesaid situation, will the Government inform this Council:*

- (a) *whether the Government has any plan in response to the possible collapse of the Doha Round; if it has, of the details; and*

- (b) *of the alternative means that the Government will need to pursue to protect Hong Kong's global trade interests in the event of such a collapse?*

SECRETARY FOR DEVELOPMENT (in the absence of Secretary for Commerce and Economic Development): President, ever since its launch in 2001, the Doha Round has progressed slowly, with periodic crises and a string of missed deadlines and opportunities. Most recently in November 2010, Leaders at the G20 Seoul Summit and the Yokohama Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting renewed their commitment to conclude the Doha Round in 2011. Despite an intensive work programme, and the fact that a deal would be "doable" under the right conditions, the latest development is that fundamental differences over Non-Agricultural Market Access have effectively been blocking progress and putting the successful conclusion of the Doha Round this year into serious doubt. There are also differences in other areas.

While this is clearly disappointing, it is premature to look beyond the Doha Round at this stage when all efforts should focus on how to close the remaining gaps.

At this critical juncture, while Hong Kong cannot push for a breakthrough on its own, we continue to play a bridging role as best as we can in taking forward the negotiations. Ministers of 13 World Trade Organization (WTO) members including Hong Kong, Australia, Chile, Colombia, Costa Rica, Indonesia, Korea, Malaysia, Mexico, New Zealand, Norway, Singapore and Switzerland, issued an open letter on 15 April 2011 as a collective appeal to all WTO members to bring about a successful conclusion of the Doha Round as soon as possible. We will also make use of the coming Ministerial gatherings, in which the Acting Secretary for Commerce and Economic Development will participate, to work closely with other attending WTO members to find ways to break the deadlock. These include the APEC Ministers Responsible for Trade Meeting to be held in the United States on 19 to 20 May 2011 as well as the Informal Ministerial Meeting to be hosted by Australia in the margin of the Organization for Economic Co-operation and Development Ministerial Council Meeting on 26 May 2011.

In parallel with the Doha Round negotiations, Hong Kong has been actively pursuing other trade initiatives that will enhance and secure our access to other markets. While upholding our commitment to the primacy of the multilateral trading system, we have been pursuing with other economies high quality Free Trade Agreements (FTAs) that go beyond the commitments under the WTO. We consider that high quality FTAs which are fully WTO-consistent should help strengthen economic relations with our trading partners, and promote global trade liberalization. So far, we have implemented a Closer Economic Partnership Arrangement with the Mainland of China and a Closer Economic Partnership Agreement with New Zealand. FTA negotiations with the European Free Trade Association (comprising Iceland, Liechtenstein, Norway and Switzerland) have been concluded, and we hope that we could sign the Agreement in the not too distant future. We will also explore other opportunities to negotiate FTA with other trading partners where appropriate.

Fare Concessions Offered by Franchised Bus Companies

9. **DR PAN PEY-CHYOU** (in Chinese): *President, it has been reported that the total revenue of the Citybus Limited (CTB) last year amounted to \$1.5 billion, with a surplus of more than \$96 million over the permitted return. Under the passenger reward arrangement modified by the Government in 2006, any return achieved by a franchised bus operator exceeding the rate of return on the average net fixed asset of 9.7% shall be shared equally between the operator and passengers. According to the above arrangement, CTB should have apportioned to the passenger reward balance about \$50 million of the surplus. Although the CTB introduced the concessionary fare scheme entitled "\$2 Discount for Each Second Trip within the Same Day" (the Discount) in February this year, the company cancelled the scheme with effect from May this year without giving a clear account. In this connection, will the Government inform this Council:*

- (a) *whether it knows the total amount of passenger reward provided by the CTB through offering the Discount, as well as whether the CTB has any plan to fully utilize the sum of around \$50 million in last year's surplus to reward passengers through offering same day return fare concessions; if it knows, of the details; if not, the reasons for that;*

- (b) *whether the authorities have monitored the implementation of the relevant mechanism for "the passenger reward balance" mentioned above, such as holding discussions between the Government and franchised bus companies on utilizing "the passenger reward balance accumulated" for reducing the magnitude of fare increase required in future, or providing fare concessions, as well as whether the government departments concerned have monitored and assessed the effectiveness of fare concessions offered by bus companies under this mechanism; if not, of the reasons for that; and*
- (c) *whether the authorities at present have any channel to encourage various franchised bus companies to offer fare concessions to members of the public and monitor such efforts, such as requesting bus companies to retain certain popular fare concessions, and further extend the coverage of the fare concessions for senior citizens and people with disabilities; if they have, of the details, as well as whether the authorities will request the CTB to offer the Discount once again; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President,

- (a) Under the current "passenger reward arrangement", any return achieved by a franchised bus operator exceeding the rate of return on average net fixed assets of 9.7% shall be shared equally on a 50/50 basis between the franchised bus operators and passengers. The passengers' share is maintained as "passenger reward balance" to be used for providing fare concessions or relieving the pressure for future bus fare increase. Franchised bus operators are required to announce their "passenger reward balance" within five months after the end of their respective financial year, and to use any amount in the "passenger reward balance" exceeding the equivalent of 1% of the annual revenue for provision of fare concessions within 12 months after the annual disclosure of the "passenger reward balance".

Based on the announcement made on 30 November 2010, the "passenger reward balance" accumulated by the CTB (Franchise for

Hong Kong Island and Cross Harbour Routes) (CTB(F1)) and CTB (Franchise for North Lantau and Chek Lap Kok Airport Routes) (CTB(F2)) as at 30 June 2010 (that is, the end date of the financial year) was about \$42 million and \$8 million respectively.

Under the above "passenger reward arrangement", the CTB(F1) would offer three fare concession schemes, that is, extending the effective period of the "\$2 Holiday Concession Scheme for Octopus-paying Senior Citizens" to 31 January 2012, and introducing two short-term Octopus fare discount schemes, namely "Same Day Return Fare Discount of 20%" and "Same Day \$2 Discount for Every Second Trip", for three months from 3 February 2011 to 2 May 2011.

The CTB(F1)'s fare revenue foregone due to the introduction of the two short-term schemes was estimated to be about \$21 million in total. Moreover, the fare revenue foregone due to the "\$2 Holiday Concession Scheme for Octopus-paying Senior Citizens" from 1 July 2010 to end-April 2011 was about \$6 million. The CTB(F1) plans to use the remaining "passenger reward balance" to continue providing the "\$2 Holiday Concession Scheme for Octopus-paying Senior Citizens". The CTB expects that the "passenger reward balance" will be reduced gradually to less than 1% of its annual revenue by 30 November 2011, and the remaining balance will be carried forward as provision for use in the next financial year.

The CTB(F2) has fully used its "passenger reward balance" (that is, about \$8 million) in offering the "\$2 Holiday Concession Scheme for Octopus-paying Senior Citizens", discounted Cityflyer Return Tickets, Cityflyer Same Day Return Discount of 50%, and fare concessions to airport staff.

- (b) The Government regularly monitors the use of the "passenger reward balance" by the franchised bus operators. Besides, to enhance transparency, the franchised bus operators are required to publish a booklet of "Fuller Disclosure" within five months after the end of their respective financial year to disclose their operational and

financial information, including the "passenger reward balance" accumulated.

The franchised bus operators will consult the Transport Department (TD) when determining the use of their "passenger reward balance" and the relevant fare concession proposals. Fare concession arrangement can only be implemented with the consent of the TD.

- (c) The Government has all along been encouraging public transport operators to introduce fare reduction or concessions as far as possible to help reduce passengers' travelling expenses, taking into account the operators' respective operating and financial conditions, overall economic environment and passenger needs. In line with the spirit of free enterprise, the provision of fare concessions, including the detailed arrangements, is the commercial decision of the individual public transport operators.

The "Same Day \$2 Discount for Every Second Trip" introduced by the CTB between 3 February and 2 May 2011 was a short-term fare concession under the "passenger reward arrangement". As mentioned above, the fare revenue foregone as at end-April 2011 due to the three fare concession schemes implemented in 2010-2011 by the CTB(F1) added up to about \$27 million. Considering that the CTB(F1) plans to use the remaining "passenger reward balance" to extend the "\$2 Holiday Concession Scheme for Octopus-paying Senior Citizens", the Government does not intend to request the CTB to introduce the "Same Day \$2 Discount for Every Second Trip" again for the time being.

Hawker Control and Management

10. **MR WONG KWOK-HING** (in Chinese): *President, it was been reported that the public was earlier concern about the incident in which a 72-year-old hawker, who had been selling charcoal-roasted egg waffles for 30 years, was prosecuted repeatedly by the Hawker Control Team (HCT) of the Food and Environmental Hygiene Department (FEHD) within a short period of time. The incident has once again sparked discussions in the community about the hawker*

management policy. In this connection, will the Government inform this Council:

- (a) *among the unlicensed hawkers prosecuted by the FEHD in the past three years, the number of those who were prosecuted for selling cooked foods; the number of those who were prosecuted more than once by the HCT of FEHD, and the respective numbers of unlicensed hawkers who were prosecuted repeatedly within one month, two weeks and one week;*
- (b) *as it has been reported that there are public views that, in addition to issuing new Fixed-Pitch Hawker Licences to allow applicants to operate the existing vacant fixed hawker pitches as agreed in 2009, the Government should issue more new hawker licences to enable the grassroots to engage in small businesses and stand on their own feet, whether the authorities will consider such suggestions and give small business operators opportunities to earn a living; and*
- (c) *as it has been reported that there are public views that allowing hawkers to operate within legally prescribed times and locations may enable the grassroots to make a living and may also boost economic activities in the community, especially in new towns such as Tung Chung and Tin Shui Wai, and so on, where street economic activities are totally non-existent, and that setting up hawker bazaars or markets there may not only make up for the aforesaid shortcomings but may also develop these areas into tourist attractions of Hong Kong with special characteristics, whether the authorities will make reference to the experience of the Mainland and the neighbouring regions (for example, Taiwan, Singapore, Malaysia and Thailand, and so on) and consider designating new legal hawker areas in certain districts as hawker bazaars and night markets with special characteristics, and so on, to allow members of the public (for example, the elderly people and people who sell goods with traditional characteristics) to apply for operating small businesses there, so as to boost the local culture and community economy; if they will, whether the authorities have any preliminary idea; if not, of the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Government's policy on hawker control is to regulate the hawking activities of licensed hawkers and take enforcement action against illegal hawking, so as to safeguard food safety and environmental hygiene. If the hawking activity does not involve the selling of prohibited or restricted food or cooked food and is not conducted in major thoroughfares or areas of high pedestrian flow, officers of HCTs of the FEHD will give warning first before taking enforcement action and prosecution action will be taken only if the verbal warning is not heeded. Furthermore, if elderly or disabled hawkers are involved, the HCT officers will exercise their powers in a reasonable manner in light of the actual circumstances. However, under the overarching objective of safeguarding food safety and public health, the HCTs will still take immediate enforcement action against unlicensed hawkers selling prohibited or restricted food or cooked food. It is necessary for hawker control measures to achieve a proper balance between protection of public health and flexibility in enforcement action. Reply to the various parts of the question is as follows:

- (a) In the three years from 2008 to 2010, there were a total of 17 919 convicted cases of unlicensed hawking, with 687 of them involving selling cooked food without a licence. Some 2 900 persons were prosecuted twice or more. The FEHD does not have statistics on the time gap between prosecutions involving repeat offenders.

(b) and (c)

In response to the call in the community for reissuing hawker licences, the Food and Health Bureau and FEHD conducted a comprehensive review on hawker licensing policy between 2008 and 2009. During the review, we consulted the Legislative Council Panel on Food Safety and Environmental Hygiene (the Panel), the 18 District Councils (DCs), over 20 hawker associations and other relevant stakeholders. While some of them supported reissuing hawker licences, certain DCs and stakeholders held opposing views. Their main concerns were that hawking activities would cause environmental hygiene and noise nuisances as well as obstruction to public passageways and hazard to pedestrian safety, which were not consistent with the prevailing public expectations regarding food safety and environmental hygiene.

After striking a balance between different views and obtaining the Panel's support, the FEHD has already implemented a whole host of new measures on hawker licensing in response to different views in the community on hawking activities, including the aspirations for preservation of local heritage. Such measures include reissuing itinerant hawker licences to the so-called "small ice-cream vendors" and fixed-pitch hawker licences; as well as relaxing succession and transfer arrangements for "Dai Pai Tong" licences. As at April 2011, the FEHD has issued a total of 54 new licences to "small ice-cream vendors" and 233 new fixed-pitch hawker licences. Besides, the FEHD has hitherto received 10 applications for transferring "Dai Pai Tong" licences in Central to the licensees' offspring and five of them have been approved.

As for the suggestion put forward by some members of the public of setting up open-air bazaars with local characteristics at suitable sites, the conclusion of the review on hawker licensing policy is that the FEHD stands ready to provide, in collaboration with the relevant departments, appropriate assistance to the proponents if they have identified suitable sites with support of the local DCs and have satisfied the requirements on food safety and environmental hygiene. In addition, as advised by the Home Affairs Department, it has all along been rendering support to DCs in organizing activities to promote local characteristics and attractions, including the introduction and promotion of hawker bazaars with unique characteristics through different channels.

Assistance to Patients Suffering from Depression

11. **MR LAU KONG-WAH** (in Chinese): *President, according to the estimation of the World Health Organization, depression will become the second leading disease in the world by the year 2020. Earlier on, in a survey which interviewed 1 120 young people aged below 25, it was found that 32.5% of them showed symptoms of depression, with the youngest aged only 12, which was almost four times as high, in comparison to the 8.3% of people who showed symptoms of depression in the adult population of Hong Kong. In addition,*

more than half of them were even prone to suicide or self-harm. In this connection, will the Government inform this Council:

- (a) whether the authorities had compiled statistics on the number of people suffering from depression in Hong Kong in the past five years, and the number of those who need treatment because they had symptoms of depression; of the distribution by age, gender and occupation of these two types of people; whether they have assessed if there is an upward trend in the number of Hong Kong people suffering from depression and if the problem of adolescent depression is particularly serious; if they have assessed, of the outcome;*
- (b) whether it knows at present the average waiting time for first appointment for various types of public mental health services and psychiatric specialist out-patient (SOP) services; what measures the authorities have to shorten the waiting time for such services; whether they will strengthen the healthcare and counselling services for depression, as well as enhance publicity and education so as to enable members of the public to better understand and identify depression;*
- (c) whether the authorities have plans to step up its efforts in addressing the problem of depression and adjust their strategy to tackle the problem of high rates of depression among young people by providing more services which targeted at their needs; and*
- (d) given that some members of the public have relayed that as the existing antidepressant drugs have quite a number of side-effects causing some patients to discontinue medication, which affects the progress and efficacy of their treatment, whether the authorities will request the Hospital Authority (HA) to include more new drugs with fewer side-effects in its Drug Formulary in order to enhance the treatment of depression and boost the confidence of patients with depression in the prescription of medication?*

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

- (a) The Department of Health (DH) conducted a Population Health Survey in 2003-2004 in collaboration with the Department of Community Medicine under the Faculty of Medicine of the University of Hong Kong. According to the Survey, about 1.5% of the population in Hong Kong aged 15 and above self-reported doctor-diagnosed depression. The prevalence of depression by gender and age group is at Annex 1. Figures obtained from the Survey show that the prevalence rate of depression was 2.1% in females and 0.7% in males. The prevalence rate among the younger age groups (15 to 35 years of age) was 1%. It was lower than that of the older age groups (35 years of age or above), which was between 1.5% and 1.9%. In addition, the prevalence of depression by occupation according to the Survey is at Annex 2. The number of patients diagnosed with depression and receiving psychiatric in-patient and SOP services at the HA by age and gender over the past five years is at Annex 3.

In order to keep track of the latest developments regarding the prevalence of mental illnesses in Hong Kong, the Food and Health Bureau commissioned the Department of Psychiatry of The Chinese University of Hong Kong in October 2010 to conduct a five-year "Hong Kong Mental Morbidity Survey" in collaboration with the Department of Psychiatry of the University of Hong Kong and psychiatric services units under the HA, with funding from the Health and Health Services Research Fund, with a view to examining the prevalence of common mental illnesses among the adult population of Hong Kong. The survey is now under way.

- (b) and (c)

In 2010-2011, the median waiting time for first appointment of all new cases at the HA's psychiatric SOP clinics was four weeks.

In 2010-2011, the HA set up Common Mental Disorder Clinics at the psychiatric SOP clinics in all seven clusters to provide more timely assessment and treatment services for patients with common mental disorders (including depression) who were triaged as non-urgent cases. In addition, the HA has since October 2010 launched the Integrated Mental Health Programme at designated general out-patient clinics in five clusters (Hong Kong East, Hong Kong West, Kowloon East, Kowloon West and New Territories East). Under the programme, patients with mild mood disorders and other common mental disorders who are in stable conditions are provided with timely treatment in the primary care settings by multi-disciplinary teams comprising family medicine specialists, general practitioners, nurses, social workers and other allied health practitioners.

After implementation of the above measures, the median waiting time for first appointment of non-urgent new cases at psychiatric SOP clinics was reduced from 17 weeks in 2008-2009 to nine weeks in 2010-2011. To further enhance the support to patients with common mental disorders, the HA will expand the Integrated Mental Health Programme in 2011-2012 to cover all clusters to tackle more effectively cases of mild mental illness in the community. Meanwhile, psychiatrists from the Common Mental Disorder Clinics will continue to provide support to family medicine specialists and general practitioners under the programme to facilitate the management of patients in need in the primary care settings.

The Government is committed to promoting mental health. We seek to enhance public awareness and understanding of mental health (including emotional disorders) through public education and publicity to promote the acceptance of ex-mental patients by the public so as to facilitate their re-integration into the community.

To enhance public's concern and awareness of mental health, and to promote social acceptance of ex-mentally ill patients, the Labour and Welfare Bureau has organized a "Mental Health Month" every year since 1995 in collaboration with various government departments, non-governmental organizations and the media, aiming at promoting a proper understanding of mental health and emotional disorders in the community, and facilitating the integration of ex-mental patients into society, through a series of territory-wide and district-based major promotional activities. The Social Welfare Department (SWD) has also launched community mental health education activities through the Integrated Community Centre for Mental Wellness set up in various districts across the territory, so as to enhance the community's awareness of mental health. Meanwhile, the DH has produced a comprehensive range of health educational resources and audio-visual aids on mental health, and set up a round-the-clock pre-recorded telephone information hotline and webpage to disseminate messages on mental health and to promote the psycho-social well-being of the public.

In view of the needs of adolescents, the Student Health Service under the DH has launched the Adolescent Health Programme to promote the physical and psycho-social health of adolescents through outreach activities for students, their parents and teachers in schools. The Programme is provided by multi-disciplinary teams comprising such professional staff as doctors, nurses, social workers and clinical psychologists. The basic life skills training is tailored-made for students and covers emotion management, harmonious interpersonal relationship building, communication skills and stress management, and so on. Such training serves to help adolescents establish a positive attitude and outlook so that they would be able to deal with changes and challenges with confidence and competence during their development. In addition, to facilitate the early identification of children and adolescents with mental

health problems with a view to providing them with necessary services as early as possible, the SWD and the HA jointly implemented the Child and Adolescent Mental Health Community Support Project since 2005. The Project has been fully transferred to the HA for implementation since July 2009. Under the project, outreaching services are provided to children and adolescents aged six to 18 with emotional problems (for example, depression and anxiety disorder). The scope of services includes promotion of public education to facilitate identification of children and adolescents in need as early as possible; provision of advisory and support services to youth workers and parents; and establishment of linkages with local community organizations for provision of personalized rehabilitation services as well as training and activities on daily living and vocational skills in the community settings to children and adolescents with emotional problems. This is to help them overcome the adverse impact of mental health problems and develop a healthy lifestyle.

- (d) Generally speaking, the HA's healthcare teams will provide appropriate treatment to patients with depression according to their needs, such as drug therapy, psychotherapy and stress management skill training. If patients are in need of drug therapy, doctors will prescribe proper medications having regard to the clinical conditions of individual patients. Over the years, the HA has been taking measures to increase the use of new psychiatric drugs with fewer side effects. At present, 11 new anti-depressant drugs have been included in the HA Drug Formulary to enhance treatment for patients with depression. The HA will continue to review the use of psychiatric drugs and consider introducing more drugs with proven efficacy in its Drug Formulary through the established mechanism.

Annex 1

Prevalence of self-reported doctor-diagnosed depression by age and gender

| <i>Age Group</i> | <i>Male</i> | | <i>Female</i> | | <i>Total⁽³⁾</i> | |
|----------------------|--------------------------------------|-----------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------|-----------------------------------------|
| | <i>Prevalence rate⁽¹⁾</i> | <i>Number of patients⁽²⁾</i> | <i>Prevalence rate⁽¹⁾</i> | <i>Number of patients⁽²⁾</i> | <i>Prevalence rate⁽¹⁾</i> | <i>Number of patients⁽²⁾</i> |
| 15 to 24 | 0.5% | 2 100 | 1.5% | 6 700 | 1.0% | 8 900 |
| 25 to 34 | 0.3% | 1 300 | 1.6% | 8 400 | 1.0% | 9 700 |
| 35 to 44 | 0.1% | 700 | 2.7% | 20 400 | 1.6% | 21 100 |
| 45 to 54 | 0.7% | 3 200 | 2.2% | 14 000 | 1.5% | 17 200 |
| 55 to 64 | 1.0% | 3 100 | 2.8% | 8 900 | 1.9% | 12 100 |
| 65 and above | 1.8% | 6 700 | 1.7% | 7 100 | 1.7% | 13 800 |
| Total ⁽³⁾ | 0.7% | 17 200 | 2.1% | 65 500 | 1.5% | 82 700 |

Base: People aged 15 and above

Source: Population Health Survey 2003-2004

Notes:

- (1) Prevalence rate refers to the percentage of patients in the total population of the respective age and gender groups.
- (2) A total of 7 084 respondents were interviewed in the Survey. According to the representativeness of the study sample, these respondents represented a population of about 5.68 million. The number of patients and prevalence of self-reported doctor-diagnosed depression were estimated from the results of the Survey.
- (3) Figures may not add up to the total due to rounding of figures under individual items.

Annex 2

Prevalence of self-reported doctor-diagnosed depression by occupation

| <i>Occupational Group</i> | <i>Prevalence rate⁽¹⁾</i> | <i>Number of patients⁽²⁾</i> |
|--------------------------------|--------------------------------------|-----------------------------------------|
| Managerial/Professional worker | 0.9% | 6 100 |
| Clerk | 0.8% | 5 400 |
| Service worker | 1.4% | 9 800 |
| Blue collar worker | 1.0% | 8 700 |
| Not working | 1.9% | 51 500 |

| <i>Occupational Group</i> | <i>Prevalence rate⁽¹⁾</i> | <i>Number of patients⁽²⁾</i> |
|---------------------------|--------------------------------------|-----------------------------------------|
| Unknown/No response | 1.0% | 1 200 |
| Total ⁽³⁾ | 1.5% | 82 700 |

Base: People aged 15 and above

Source: Population Health Survey 2003-2004

Notes:

- (1) Prevalence rate refers to the percentage of patients in the total population of the respective occupational groups.
- (2) A total of 7 084 respondents were interviewed in the Survey. According to the representativeness of the study sample, those respondents represented a population of about 5.68 million. The number of patients and prevalence of self-reported doctor-diagnosed depression were estimated from the results of the Survey.
- (3) Figures may not add up to the total due to rounding of figures under individual items.

Annex 3

Number of patients diagnosed with depression and receiving
the HA's psychiatric in-patient and SOP services by age and gender

| | | <i>2006-2007</i> | <i>2007-2008</i> | <i>2008-2009</i> | <i>2009-2010</i> | <i>2010-2011</i> |
|-----------------------|--------------|------------------|------------------|------------------|------------------|------------------|
| Age | 0 to 17 | 300 | 300 | 300 | 400 | 400 |
| | 18 to 64 | 26 300 | 28 300 | 30 200 | 33 100 | 36 000 |
| | 65 and above | 7 800 | 8 200 | 8 600 | 9 100 | 9 500 |
| Gender | Male | 9 700 | 10 200 | 10 800 | 11 900 | 12 700 |
| | Female | 24 800 | 26 600 | 28 300 | 30 700 | 33 100 |
| Total (Round figures) | | 34 400 | 36 800 | 39 100 | 42 600 | 45 800 |

Note:

The above figures are rounded to the nearest hundred

Statistics on Taxpayers

12. **MR CHEUNG KWOK-CHE** (in Chinese): *President, regarding the background information of taxpayers in Hong Kong, will the Government inform this Council:*

- (a) of the number of taxpayers (No.) in different age groups in each of the financial years between 2005 and 2010, and the percentages of the salaries tax paid by them in the total revenue from salaries tax in the respective years (set out in the table below); and

| Year: _____ No. and the percentage of the tax paid by them in the total revenue from salaries tax (%) | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------|---|-----------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|
| Gender | Age (years) | The amount of salaries tax paid (HK\$) | | | | | | | | | | | | | | | |
| | | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | |
| | | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | Below 18 | | | | | | | | | | | | | | | | |
| | 18 to 24 | | | | | | | | | | | | | | | | |
| | 25 to 34 | | | | | | | | | | | | | | | | |
| | 35 to 44 | | | | | | | | | | | | | | | | |
| | 45 to 54 | | | | | | | | | | | | | | | | |
| | 55 to 64 | | | | | | | | | | | | | | | | |
| | 65 or above | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| Female | Below 18 | | | | | | | | | | | | | | | | |
| | 18 to 24 | | | | | | | | | | | | | | | | |
| | 25 to 34 | | | | | | | | | | | | | | | | |
| | 35 to 44 | | | | | | | | | | | | | | | | |
| | 45 to 54 | | | | | | | | | | | | | | | | |
| | 55 to 64 | | | | | | | | | | | | | | | | |
| | 65 or above | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |

- (b) of the number of taxpayers in different age groups from various occupations in each of the financial years between 2005 and 2010, and the percentages of the salaries tax paid by them in the total revenue from salaries tax in the respective years?

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

(a) and (b)

Taxpayers are not required to furnish information about their age in their individual tax returns as salaries tax assessments made by the Inland Revenue Department (IRD) would not be affected by the age of the taxpayers. Hence, the IRD is unable to compile statistics on salaries tax with breakdown by taxpayers' age. As regards occupations, although it is necessary for taxpayers to provide in their individual tax returns information about their capacity employed, such information is used merely as reference for tax assessments. The IRD has not classified and input the data into its computer database. If statistics with breakdown by taxpayers' occupations are required, it will entail enormous manual work in order to gather the relevant data from some 1.4 million salaries tax files. As such, the IRD has practical difficulties to provide the relevant statistics.

Given the above reasons, the IRD could only provide statistical breakdowns by taxpayers' gender and by the amount of salaries tax assessed. The relevant statistics for each of the years of assessment between 2005 and 2010 are set out in the tables below.

| Year of assessment : 2005-2006 | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------|-----------------------------------|------|-----------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|---------|-------|
| No. and their salaries tax assessed as a percentage of the total salaries tax assessed (%) | | | | | | | | | | | | | | | | | | |
| Gender | Salaries tax assessed (HK dollar) | | | | | | | | | | | | | | | | | |
| | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | | Total | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | 327 000 | 1.1% | 70 000 | 1.3% | 41 000 | 1.3% | 31 000 | 1.3% | 24 000 | 1.3% | 19 000 | 1.3% | 16 000 | 1.3% | 160 000 | 60.6% | 688 000 | 69.5% |
| Female | 294 000 | 1.0% | 60 000 | 1.1% | 37 000 | 1.1% | 27 000 | 1.2% | 21 000 | 1.2% | 18 000 | 1.2% | 15 000 | 1.2% | 92 000 | 22.5% | 564 000 | 30.5% |

| Year of assessment : 2006-2007 | | | | | | | | | | | | | | | | | | |
|--------------------------------|-----------------------------------|------|-----------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|---------|-------|
| No. and % | | | | | | | | | | | | | | | | | | |
| Gender | Salaries tax assessed (HK dollar) | | | | | | | | | | | | | | | | | |
| | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | | Total | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | 414 000 | 1.3% | 77 000 | 1.5% | 47 000 | 1.5% | 18 000 | 0.8% | 15 000 | 0.9% | 12 000 | 0.9% | 11 000 | 0.9% | 129 000 | 64.3% | 723 000 | 72.1% |
| Female | 375 000 | 1.2% | 69 000 | 1.3% | 43 000 | 1.4% | 16 000 | 0.8% | 13 000 | 0.8% | 10 000 | 0.8% | 9 000 | 0.8% | 67 000 | 20.8% | 602 000 | 27.9% |

| Year of assessment : 2007-2008 | | | | | | | | | | | | | | | | | | |
|--------------------------------|-----------------------------------|------|-----------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|---------|-------|
| No. and % | | | | | | | | | | | | | | | | | | |
| Gender | Salaries tax assessed (HK dollar) | | | | | | | | | | | | | | | | | |
| | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | | Total | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | 524 000 | 1.5% | 69 000 | 1.2% | 16 000 | 0.5% | 13 000 | 0.6% | 11 000 | 0.7% | 10 000 | 0.7% | 9 000 | 0.8% | 114 000 | 68.2% | 766 000 | 74.2% |
| Female | 480 000 | 1.3% | 64 000 | 1.1% | 14 000 | 0.5% | 11 000 | 0.5% | 10 000 | 0.5% | 8 000 | 0.6% | 7 000 | 0.6% | 56 000 | 20.7% | 650 000 | 25.8% |

| Year of assessment : 2008-2009 ⁽¹⁾ | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------|-----------------------------------|------|-----------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|---------|-------|
| No. and % | | | | | | | | | | | | | | | | | | |
| Gender | Salaries tax assessed (HK dollar) | | | | | | | | | | | | | | | | | |
| | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | | Total | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | 65 000 | 0.4% | 37 000 | 0.7% | 29 000 | 0.9% | 23 000 | 1.0% | 19 000 | 1.1% | 16 000 | 1.1% | 13 000 | 1.1% | 151 000 | 63.9% | 353 000 | 70.2% |
| Female | 55 000 | 0.3% | 34 000 | 0.6% | 27 000 | 0.9% | 22 000 | 1.0% | 18 000 | 1.0% | 15 000 | 1.0% | 12 000 | 1.0% | 87 000 | 24.0% | 270 000 | 29.8% |

Note:

- (1) In the year of assessment 2008-2009, salaries taxpayers were granted with full tax reduction (subject to a ceiling of \$8,000). As a result, 755 000 taxpayers were not required to pay salaries tax. Including these taxpayers with full tax reduction, the total number of salaries taxpayers was 1 378 000.

| Year of assessment : 2009-2010 ⁽²⁾ | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------|-----------------------------------|------|-----------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|---------|-------|
| No. and % | | | | | | | | | | | | | | | | | | |
| Gender | Salaries tax assessed (HK dollar) | | | | | | | | | | | | | | | | | |
| | Less than 5,000 | | 5,001 to 10,000 | | 10,001 to 15,000 | | 15,001 to 20,000 | | 20,001 to 25,000 | | 25,001 to 30,000 | | 30,001 to 35,000 | | More than 35,000 | | Total | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Male | 462 000 | 0.8% | 42 000 | 0.7% | 32 000 | 0.9% | 25 000 | 1.0% | 21 000 | 1.1% | 17 000 | 1.1% | 15 000 | 1.1% | 158 000 | 63.1% | 772 000 | 69.8% |
| Female | 419 000 | 0.7% | 39 000 | 0.7% | 30 000 | 0.9% | 23 000 | 1.0% | 20 000 | 1.0% | 16 000 | 1.0% | 13 000 | 1.0% | 94 000 | 23.9% | 654 000 | 30.2% |

Note:

- (2) The majority of the tax assessments for the year of assessment 2009-2010 were conducted in the financial year 2010-2011. As the accounts for the financial year 2010-2011 are being finalized, the figures set out in the above table are provisional.

Receptions and Banquets Hosted by Government and District Councils

13. **MR KAM NAI-WAI** (in Chinese): *President, it has been reported that banquets, including cocktail receptions and dinner parties, are hosted on the occasion of Spring Festival, Reunification Day and National Day, and so on, by the Government, including the Home Affairs Department (HAD), and the 18*

District Councils (DCs) to entertain people from various sectors. In this connection, will the Government inform this Council:

- (a) of the total number of banquets hosted and fully funded by the Home Affairs Bureau and the HAD in the past three years, together with a breakdown by the nature of the banquets, for example, Chinese New Year's Eve dinner, Spring Festival gathering, reunification celebration and National Day celebration, and so on; the respective number of banquets hosted through the DCs each year by the District Office (DO) in each of the 18 districts, and the amount of money spent;*
- (b) of the average attendance at the banquets in part (a), together with a breakdown by the host unit, that is, the Home Affairs Bureau, the HAD and the 18 DOs;*
- (c) of the total amount of entertainment allowances claimed by directorate civil servants and Directors of Bureaux in the past three years; whether a ceiling is set for the entertainment allowances, and the percentage of the current expenditure when compared to the ceiling;*
- (d) whether the government departments had responded to the recommendations of "shark-free banquets", "sustainable seafood" and "six-course meals" advocated by environmental groups when they hosted the banquets in part (a); if so, of the number and percentage of banquets which had adopted such recommendations; whether the officials receiving entertainment allowances in part (c) have also followed such environmental recommendations;*
- (e) whether, in response to the advocacy of environmental groups, the authorities will reconsider issuing internal guidelines in connection with the recommendations in part (d) to set a good example of environmental protection and sustainable development for the general public; and*
- (f) whether the authorities have laid down specific guidelines for invitation of guests in connection with the banquets hosted by the 18 DOs and of the respective guests lists for banquets at different levels?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) The Home Affairs Bureau, the HAD, including the DOs, and the DCs organize receptions/banquets to celebrate the Chinese New Year/Spring Festival, the anniversaries of the establishment of the Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and the anniversaries of the founding of the PRC.

The Home Affairs Bureau and the HAD (Headquarters) organized and fully funded four receptions/banquet in each of the past three years, breakdown by the nature of these events as follows:

| <i>Nature</i> | <i>2008-2009</i> | | <i>2009-2010</i> | | <i>2010-2011</i> | |
|--------------------------------------------------------------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | <i>Number</i> | <i>Expenditure</i> | <i>Number</i> | <i>Expenditure</i> | <i>Number</i> | <i>Expenditure</i> |
| Chinese New Year/Spring Reception/ Banquet ^{Note} | 2 | \$588,000 | 2 | \$485,000 | 2 | \$571,000 |
| Reception to Celebrate the Anniversary of the Establishment of the HKSAR | 1 | \$355,000 | 1 | \$371,000 | 1 | \$394,000 |
| National Day Reception to Celebrate the Anniversary of the Founding of the PRC | 1 | \$958,000 | 1 | \$1,167,000 | 1 | \$1,206,000 |
| Total | 4 | \$1,901,000 | 4 | \$2,023,000 | 4 | \$2,171,000 |

Note:

Including a luncheon organized by the Home Affairs Bureau for the sports sector.

In addition, 22, 21 and 21 receptions/banquets were hosted by DOs or co-hosted by DCs and DOs in each of the past three years

respectively. Of these receptions/banquets in each year, five to six were hosted and fully funded by DOs, five were co-hosted and jointly funded by DCs and DOs, and 11 were co-hosted by DCs and DOs and fully funded by DCs. The respective number and expenditure are as follows:

| Nature | 2008-2009 | | 2009-2010 | | 2010-2011 | |
|------------------------------------------------------------------------------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | Number | Expenditure | Number | Expenditure | Number | Expenditure |
| <i>(i) Receptions/Banquets hosted and fully funded by DOs</i> | | | | | | |
| (1) Chinese New Year/Spring Reception/Banquet | 6 | \$187,000 | 5 | \$163,000 | 5 | \$183,000 |
| Subtotal of (i) | 6 | \$187,000 | 5 | \$163,000 | 5 | \$183,000 |
| <i>(ii) Receptions/Banquets co-hosted and jointly funded by DCs and DOs</i> | | | | | | |
| (1) Chinese New Year/Spring Reception/Banquet | 5 | \$288,000 | 5 | \$293,000 | 5 | \$321,000 |
| Subtotal of (ii) | 5 | \$288,000 | 5 | \$293,000 | 5 | \$321,000 |
| <i>(iii) Receptions/Banquets co-hosted by DCs and DOs and fully funded by DCs</i> | | | | | | |
| (1) Chinese New Year/Spring Reception/Banquet | 6 | \$448,000 | 6 | \$491,000 | 6 | \$540,000 |
| (2) Reception to Celebrate the Anniversary of the Establishment of the HKSAR | 1 | \$72,000 | 1 | \$70,000 | 1 | \$80,000 |
| (3) National Day Reception to Celebrate the Anniversary of the Founding of the PRC | 4 | \$239,000 | 4 | \$256,000 | 4 | \$255,000 |
| Subtotal of (iii) | 11 | \$759,000 | 11 | \$817,000 | 11 | \$875,000 |
| Total = (i)+(ii)+(iii) | 22 | \$1,234,000 | 21 | \$1,273,000 | 21 | \$1,379,000 |

- (b) The attendances for receptions/banquets for the past three years are as follows:

| <i>Hosted/Organized by</i> <i>Home Affairs</i> <i>Bureau/HAD(HQ)</i> | <i>Attendance (per event)</i> | | |
|----------------------------------------------------------------------------|-------------------------------|------------------|------------------|
| | <i>2008-2009</i> | <i>2009-2010</i> | <i>2010-2011</i> |
| (i) Banquet | 59 | 86 | 75 |
| (ii) Receptions | 1 300 to 3 600 | 1 200 to 3 600 | 1 300 to 3 600 |

The attendance for receptions/banquets organized at district level are as follows:

| <i>Hosted by</i> | <i>Attendance (per event)</i> | | |
|---------------------------------------------------------------------------|-------------------------------|------------------|------------------|
| | <i>2008-2009</i> | <i>2009-2010</i> | <i>2010-2011</i> |
| (i) Receptions/Banquets hosted and fully funded by DOs | 98 to 500 | 110 to 500 | 120 to 500 |
| (ii) Receptions/Banquets co-hosted and jointly funded by DCs and DOs | 300 to 1 400 | 300 to 1 400 | 300 to 1 400 |
| (iii) Reception/Banquets co-hosted by DCs and DOs and fully funded by DCs | 300 to 750 | 350 to 1 300 | 350 to 900 |

- (c) According to the guidelines issued by the Administration, the ceilings of expenditure on official lunches and dinners are \$350 per person and \$450 per person respectively. The annual expenditure on official entertainments depends on the actual need of individual bureaux and departments.

The total official entertainment expenses of Directors of Bureaux and directorate civil servants over the past three years are as follows:

| <i>Financial Year</i> | <i>Expenditure</i> ^{<i>Note</i>} |
|-----------------------|-------------------------------------------|
| 2008-2009 | \$13,109,000 |
| 2009-2010 | \$13,509,000 |
| 2010-2011 | \$14,218,000 |

Note:

The official entertainment expenses of directorate and non-directorate officers of some departments are lumped together, and thus the above statistics include official entertainment expenses of some non-directorate officers as well.

(d) and (e)

The Government is committed to protecting endangered species. The Agriculture, Fisheries and Conservation Department implements the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) to strictly regulate the trade of species listed in the Appendices of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to fulfil the CITES requirements. The trade of shark and marine species which are already listed in the Appendices of CITES is already regulated under the laws of Hong Kong. With regard to the species not yet listed in CITES, the laws of Hong Kong do not restrict their commercial trade.

The Government has always abided by CITES and the local legislation. The Government does not think it is appropriate or necessary to lay down guidelines to regulate the kind of food items to be consumed in official entertainments (including those organized using the entertainment vote of directorate officers). However, in respect of using public funds on official entertainments, the Government has internal guidelines for officials to observe. When organizing official entertainments, the Government emphasizes that while the occasion should be decent, it should not give an impression that it is extravagant. Hence, when departments use public funds to organize official entertainments, the menus should not include expensive food or endangered species.

Furthermore, the Government strives to set a good example in reducing food waste. At the end of last year, the Environmental Protection Department issued internal guidelines to bureaux and departments, encouraging them to, as far as possible, order six or less dishes at official Chinese banquets; and also to take away leftovers in order to reduce wastage.

Separately, since the Government does not keep information on menus for official entertainments, we are not in a position to provide detailed information on food items consumed for those official entertainments.

- (f) There are no specific guidelines for invitation of guests in connection with the receptions/banquets hosted by DOs or guests lists for receptions/banquets at different levels.

Disputes Between Travellers and Airlines

14. **MR PAUL TSE** (in Chinese): *President, disputes often arise between flight passengers and airlines over various issues of flight or passenger transport services, including passengers having booked their tickets but were denied boarding due to overbooking by airlines; passengers stranded on airplanes due to tarmac delay; problem of compensation for passengers in respect of loss of checked baggage by airlines; airlines not issuing timely notices of flight delays to passengers; passengers having to pay fines for cancellation of pre-booked tickets. In this connection, will the Government inform this Council:*

- (a) *whether the Consumer Council (CC) and relevant government departments had, in the past three years, received the types of complaints mentioned above; if they had, of the number of such complaints, together with a breakdown by the types of disputes mentioned above;*
- (b) *of the existing mechanisms in place to handle such complaints; the Policy Bureaux and government departments which are responsible for administering the mechanisms; and the Policy Bureaux and government departments which are responsible for regulating the operation of airlines; and*
- (c) *as it has been reported that the Department of Transportation (DoT) of the United States will, in view of the common disputes mentioned above, implement in August this year a new set of rules, and one of the rules stipulates that fare advertisements by airlines must state the "full fares" which include taxes and fuel surcharges, so as to enhance the protection for the interests of flight passengers and avoid confusion over the ticket prices and other extra charges, whether the Government will consider making reference to such new requirements, so as to protect the interests of consumers on the one hand, and promote free competition among airlines to ensure that*

the operating environment for the aviation industry achieves an appropriate balance on the other; if it will, of the specific plans; if not, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President,

- (a) The numbers of relevant complaints received by the CC during the period from January 2008 to April 2011 are set out below:

| | 2008 | 2009 | 2010 | 2011 (as at end April) |
|-------------------------------------------------------------|------|------|------|---------------------------|
| Denied boarding due to oversale of air tickets | 10 | 5 | 7 | 0 |
| Passengers stranded on arrival aircraft due to tarmac delay | 0 | 0 | 0 | 0 |
| Compensation for loss of checked baggage | 19 | 6 | 7 | 4 |
| Departure delay* | 45 | 30 | 21 | 2 |
| Fines for cancellation of reservation | 12 | 5 | 13 | 13 |

Note:

- * The relevant figures include all the complaints related to departure delay. The CC does not have the breakdown of the number of complaints into departure delay where passengers were not given notice by the airlines.

From 2009 to 2010, the Civil Aviation Department (CAD) received two complaints related to denied boarding due to oversale of tickets. The CAD also received a complaint related to departure delay without notification in 2009.

- (b) Passengers having consumer disputes with airlines may lodge a complaint with the CC. The CC generally helps the passengers and airlines discuss and resolve the disputes through mediation. Separately, when the CAD receives complaints related to safety standards and flight operations, it will follow them up with the airlines concerned.

Airline operations regulation includes safety standards, flight operations, aviation security, public health, labour, taxation and consumer protection, and so on. For instance, in respect of safety standards and flight operations, the Transport and Housing Bureau is the relevant Policy Bureau whereas the CAD is the regulatory department. Other bureaux and departments/organizations are involved in different respects.

- (c) In the United States, from time to time, arrival aircraft (in particular domestic flights) are stranded on the tarmac for long hours while passengers are not provided with water and food, nor are they informed of the causes of delay. In addition, the sale of air tickets through the Internet has become more common but the transparency of various service fees (for example, carry-on and checked baggage fees and booking fees, and so on) and taxes is insufficient, rendering it difficult for passengers to know the total costs of the journey. In response to the above and other common problems such as oversale of air tickets and post-purchase price increases, the DoT of the United States will implement a new set of rules, which include requiring airlines to state the "full fare" inclusive of taxes and fuel surcharges in their fare advertisements, requiring airlines to provide tarmac delay contingency plans, provide tarmac delay data to DoT and passengers, establish service standards for passenger services, improve the transparency of fee information, and increasing the compensation payable to passengers for denied boarding due to airlines' oversale of air tickets, and so on. These rules have been introduced primarily to respond to the situation of the United States, and enhance the protection afforded to passengers through revising the existing rules and expanding their applicability.

There is no evidence of such problems in Hong Kong as shown by the number of complaints mentioned in part (a) above. At this stage, Government does not consider it necessary to implement the relevant rules in Hong Kong.

Regulation of Banks

15. **MR FREDERICK FUNG** (in Chinese): *President, it has been reported that the Federal Reserve of the United States earlier decided to keep the interest rates unchanged, while the Chief Executive of the Hong Kong Monetary Authority (CE/HKMA) responded afterwards that Hong Kong's interest rates may increase without the need to wait for the United States' interest rates to rise first, he thus urged the public to be vigilant and carefully manage the risk of interest rate increases; he also revealed that the loan-to-deposit ratio of local banks had risen from 71% at the beginning of last year to 81% in February this year. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have conducted any assessment of the risks which may be brought by the short to medium term interest rate trends, including the possible impact on the stability as well as credit and bad debt situations of the banking system, the flow of funds in the capital market, inflation and the overall economic environment, as well as the possible scenarios arising from the rise of United States' interest rates in the future, and so on; if they have, of the results; and given that Hong Kong dollar is pegged to the US dollar, how CE/HKMA arrived at the conclusion that Hong Kong's interest rates may increase without the need to wait for the United States' interest rates to rise first;*
- (b) *of the monthly loan-to-deposit ratios of local banks in the past five years, and the historical highest and lowest levels of the ratio; how the current loan-to-deposit ratio (81%) of local banks compares with those of the banks in other economies; how the authorities will regulate local banks to avoid the risks which may arise due to excessive lending; and*
- (c) *given that the financial tsunami in 2008 had prompted various countries to enhance regulation of their banking industry, including splitting the high-risk banking businesses and adjusting the remunerations of the senior staff of banks, of the proposals and items introduced by the authorities on the reform for and new regulations of the local banking industry after the financial tsunami, as well as the relevant contents and current implementation details; and how*

such proposals and items compare with the reforms of the banking industry in European and American countries?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the Administration's reply to the question is as follows:

- (a) The United States Federal Reserve's recent indication that Quantitative Easing 2 will be completed as planned by the end of June 2011 represents its first move towards "normalizing" monetary conditions and one further step closer to exiting from its intervention measures. Looking ahead, market expectation for United States interest rate movements and global capital flows may change, increasing volatility and risk in the financial markets. That said, as long as the low-interest-rate environment remains unchanged, there would still be risk of an asset price bubble induced by abundant liquidity in Hong Kong, which would indirectly lead to higher inflation. However, once the interest rates start to rise after staying at low levels for a prolonged period, local asset prices would come under pressure and shifting in the macroeconomic conditions would be unavoidable.

The Hong Kong Monetary Authority (HKMA) has been monitoring the potential risks of interest rate trends to the banking sector. If interest rates start to rise, individual banks are expected to be affected to different degrees depending on their balance sheet structures. Higher interest rates would generally increase the debt burden of borrowers, which may drive up banks' bad debts. On the other hand, some banks may benefit if higher interest rates result in a widening of the spread between lending and deposit rates. Overall speaking, the capital adequacy ratio and liquidity of banks in Hong Kong remain robust. The HKMA will continue to monitor closely, among others, the developments in the businesses and risk management systems of banks.

Under the Linked Exchange Rate System, the Hong Kong interbank offer rates (HIBOR) will move in line with their United States counterparts. However, the HIBOR levels are not the only factor affecting local deposit and lending rates applicable to bank customers. Other factors, such as the level of Hong Kong dollar

deposits in the local banking system and the supply and demand conditions in the loan market, are at force too. With the growth in Hong Kong dollar loans persistently outpacing that of Hong Kong dollar deposits since 2010, the loan-to-deposit ratio of local banks increased rapidly from 71% in early 2010 to 82% as at March 2011. Many banks have raised their Hong Kong dollar deposit and lending rates. For example, a higher spread over HIBOR is now charged for new mortgage loans. With the loan demand for Hong Kong dollars remaining strong in the short term, Hong Kong dollar deposit and lending rates of local banks will continue to face upward pressure.

- (b) A summary of the Hong Kong dollar loan-to-deposit ratios of authorized institutions (AIs) in the past five years together with their record high and low levels is at Annex. We do not consider it appropriate to directly compare banks' loan-to-deposit ratios between Hong Kong and other economies, since the level of the ratio depends on a number of factors, including the economic cycle that they are in, whether there are other channels for banks to invest their funds (for example, whether there exist sizable debt markets for investments), and so on. In view of the rapid expansion in bank loans recently, the HKMA issued a circular to the chief executives of all banks on 11 April 2011, requiring them to review their business plans and funding strategies for the rest of 2011. The HKMA will follow up with the banks to ensure that they apply prudent lending standards, review their lending plans and effectively manage concentration risk and liquidity. The HKMA will also discuss with selected individual banks on increasing their levels of regulatory reserve to better absorb the impact of bad debts, and so on.
- (c) In the light of lessons learned from the global financial crisis, international banking supervision and standard-setting bodies have put forward various proposals to strengthen the resilience of the global banking system. These include (i) a set of Principles for Sound Compensation Practices and their Implementation Standards announced by the Financial Stability Board (FSB) in 2009 to ensure that banks' remuneration systems are consistent with and promote effective risk management; (ii) enhancements to Basel II proposed by the Basel Committee on Banking Supervision (BCBS) in July 2009 to raise banks' capital requirements for trading book and

securitization exposures; and (iii) Basel III subsequently published by the BCBS in December 2010 to enhance the quality and level of banks' capital and liquidity.

The HKMA has issued guideline reflecting the proposal on remuneration systems made by the FSB to AIs. The enhancements to Basel II and the various measures set out in Basel III are expected to be implemented in Hong Kong by the end of this year and in phases starting from 2013 respectively. As always, we have put much emphasis on banks' ability to absorb losses by ensuring that they maintain high quality and level of capital. In this regard, some of the requirements under the definition of regulatory capital currently effective in Hong Kong are already consistent with or even more stringent than those of Basel III. We will brief the Legislative Council Panel on Financial Affairs on 9 June in relation to the implementation details of the new Basel requirements.

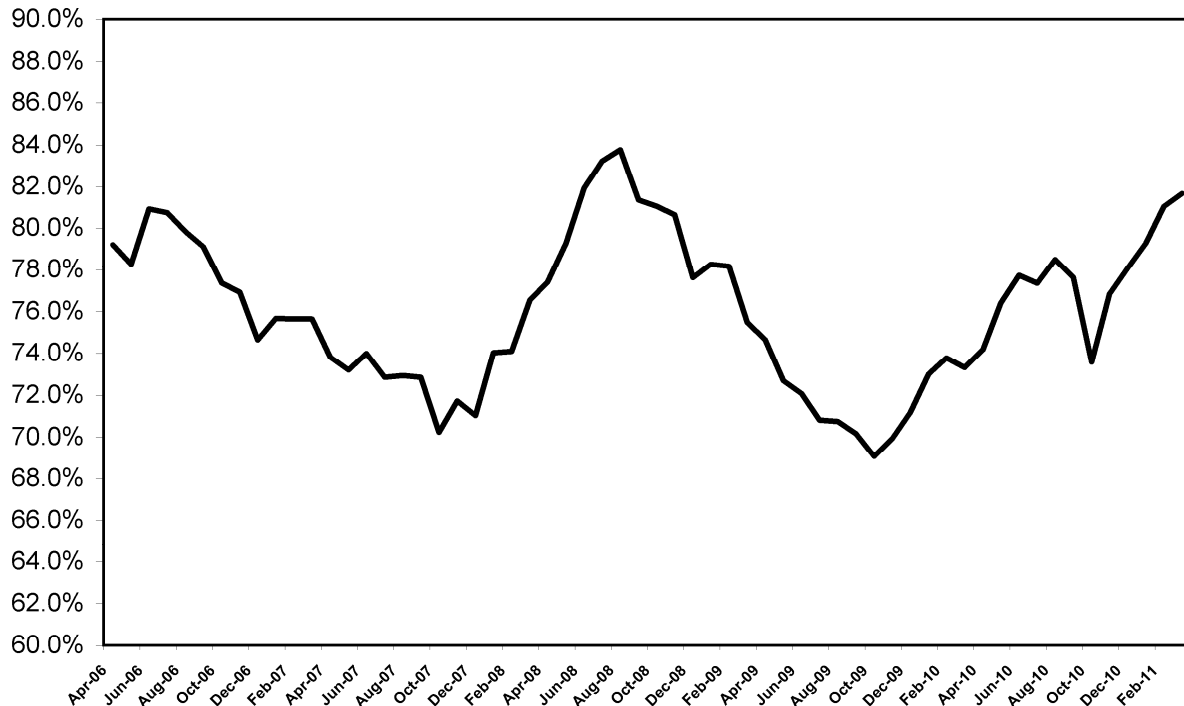
In addition to the measures proposed by the BCBS, some financial markets in the United States and Europe have also considered other measures in the light of the issues they encountered in the financial crisis. Some of these measures have become part of the agenda under the international supervisory standards of "how to reduce the possibility and consequences of failure of systemically important banks". However, there has not been any international consensus reached on these issues yet. Although Hong Kong has not been seriously affected by the global financial crisis, the HKMA will continue to monitor the international developments on enhancing banking supervisory measures and implement additional measures in Hong Kong if necessary.

Annex

Loan-to-deposit ratio

| | <i>December 2009</i> | <i>December 2010</i> | <i>March 2011</i> | <i>Record high</i> | <i>Record low</i> |
|------|----------------------|----------------------|-------------------|------------------------|-----------------------|
| HK\$ | 71.2% | 78.1% | 81.7% | 114% (January 1998) | 69% (October 2009) |

Hong Kong dollar loan-to-deposit ratio
in the past five years



Employment Assistance for People Engaged in Jobs and Positions Phased out by Office Automation and Computerization

16. **MR WONG SING-CHI** (in Chinese): *President, benefiting from the rapid development in information technology, quite a number of public and private bodies in Hong Kong have switched their daily operation in recent years to rely more on computers and other non-manual automation systems (for example, autotoll lanes are provided in addition to the manual toll lanes at the existing toll tunnels and roads, and so on). Yet, there are voices in the community expressing the view that the aforesaid switching of operation modes has adversely affected the livelihood and job opportunities of quite a number of low-skilled workers with low education attainment. In this connection, will the executive authorities inform this Council:*

- (a) *whether the authorities had studied or assessed in the past three years which industries, job types and positions requiring low skills had been phased out due to the switching of operation modes of the*

aforesaid bodies; if they had, of the details and the specific data; if not, the reasons for that;

- (b) whether the authorities have any targeted plan to help the aforesaid affected workers switch occupation or seek new jobs; if they have, of the details and number of such plans; if not, the reasons for that; and*
- (c) whether they know the number of the aforesaid workers who had been assisted by the Employees Retraining Board (ERB) in the past three years in switching occupation and seeking new jobs, and whether the authorities have reviewed the effectiveness of ERB's courses in this respect; if they have, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President,

- (a) In studying the specific employment and manpower situation and considering the implementation of appropriate measures to address the needs of the industries within their purview, the bureaux/departments concerned would make reference to a wide range of statistics and research studies. Such studies include the Manpower Projection, which assesses the future manpower requirement and supply as well as manpower balance by educational level at the macro level and the manpower surveys conducted by the Vocational Training Council which forecast the near-term manpower requirements for specific sectors.
- (b) The Manpower Development Scheme administered by the ERB provides training courses and services to local residents aged 15 or above and with education level at sub-degree or below. So long as the admission criteria are met, people who are unemployed or wish to change their career may enrol in more than 800 courses covering 30 industries currently offered by the ERB. The ERB provides full-time placement-tied courses, part-time generic skills courses as well as Skill Upgrading Scheme Plus (SUS Plus) courses for its target clientele. Job placement support services are provided to

trainees of full-time placement-tied courses for a period of three to six months to help them secure employment. The ERB launched the SUS Plus since 2009-2010 to provide training for in-service workers of various industries. The Scheme aims to enhance the industry-specific professional knowledge and skills of in-service workers and enable them to acquire multiple skills in different areas. With a view to helping those in employment to gain a better understanding of other industries through training in order to seek for a change in career and expand their employment opportunities, some of the SUS Plus courses are also open to applicants who are not working in the respective industries.

The ERB has set up a series of Industry Consultative Networks with the aim of strengthening communication with industries and gauging the views of employers, employees and professional bodies on the manpower and skills requirements of different industries and job types for the development of suitable training courses and services.

In 2011-2012, the ERB plans to provide 130 000 training places and has reserved resources to provide an additional 30 000 places if necessary. The ERB will closely monitor the condition of various industries and adjust the allocation of training places flexibly to meet demand.

The Labour Department provides various specialized employment programmes targeting job seekers who have employment difficulties or are required to change careers, including those with low educational attainments and skills levels. The Employment Programme for the Middle-aged provides employers with training allowances so as to encourage them to employ job seekers aged 40 or above and to provide them with on-the-job training. As such, these job seekers can acquire the essential job skills. Since the programme was launched in 2003 and up to the end of April 2011, a total of 51 364 placements were secured through the programme. The Work Trial Scheme enhances the employability of job seekers who have difficulties in finding jobs by providing them with one-month work trials. During that period, the participating organization will provide on-the-job training to the participant, and

appoint a mentor to help him/her to acquire the new job skills and adapt to the new working environment. On satisfactory completion of the work trial, the participant will be paid an allowance. Since the scheme was launched in 2005 and up to the end of April 2011, a total of 3 476 job seekers were placed for work trials. The Labour Department also launched a two-year Pilot Employment Navigator programme in December 2010 to provide the unemployed with in-depth and personalized employment consultation services. A financial incentive will be paid to those who successfully secure and stay in employment. As at the end of April 2011, 2 103 job seekers have enrolled in the programme.

- (c) The ERB does not keep any statistics on the number of workers mentioned in part (a) which it has assisted in changing their careers and seeking new jobs. The ERB recorded an overall annual enrolment of about 100 000 in 2008-2009 and some 110 000 in 2009-2010 and 2010-2011 for its training courses. The placement rate of trainees was maintained at 80% or above in the past three years which met the benchmark set by the ERB. The ERB has since 2010-2011 commissioned independent research agencies to collect the feedback of employers and employees on ERB's courses and services. The survey results revealed that over 80% of the interviewed employers are satisfied with the overall performance of the trainees, whereas over 80% of the interviewed trainees consider that the courses are generally helpful for seeking employment and have aroused their interest in pursuing continuous upgrading.

Following the completion of its strategic review and the relaxation of the eligibility criteria of its training courses, the ERB has taken on new roles and responsibilities to provide more comprehensive and diversified training courses and services for the local labour force. The Administration keeps under review the effectiveness of the training courses offered by the ERB. As indicated by the aforesaid survey results, we consider the work of the ERB in this respect effective.

Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme

17. **MR WONG KWOK-HING** (in Chinese): *President, according to the latest data (provisional figures) of the Census and Statistics Department, the unemployment rate for youths aged 15 to 19 was 18.3% from January to March this year. Given that youth unemployment has all along been an issue of public concern, the Government launched the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) in 1999 and 2002 respectively, and integrated the two programmes into YPTP&YWETS in September 2009. In this connection, will the Government inform this Council:*

- (a) of the respective numbers of places provided under YPTP&YWETS, YPTP and YWETS in each of the past three years; the respective numbers of persons joining these programmes in various districts in each of the past three years, broken down by the 18 District Council districts;*
- (b) given that under the existing YPTP&YWETS, trainees can also receive paid on-the-job training for a duration of six to 12 months in the capacity of employees, of the respective numbers of on-the-job training places provided under this programme and YWETS in each of the past three years; among them, the respective numbers of places offered by social welfare organizations and non-social welfare organizations; of the industries to which the training places offered by non-social welfare organizations belonged;*
- (c) whether it knows in the past three years, the total number of trainees who were, after they had completed their internship and graduated, employed in jobs relevant to the courses taken by them; and*
- (d) given that under the arrangement of YPTP&YWETS, the authorities will disburse a training subsidy to employers at \$2,000 per month for each trainee engaged to pay the wages during the trainees'*

on-the-job training, and employers will pay the remaining amount, whether the authorities know the average amount of subsidies currently paid by employers to each trainee per month; if not, whether the authorities will consider keeping the relevant records?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the information sought is provided below:

- (a) The Labour Department in 2009 enhanced and integrated the YPTP and the YWETS into a "through-train" programme — "YPTP&YWETS" — to provide seamless and comprehensive training and employment support to young school leavers aged 15 to 24 with educational attainment at sub-degree level or below. The programme does not set a ceiling on training capacity and will flexibly admit all eligible young people.

In the past three programme years (from September each year up to August the following year), the number of trainees enrolled by the YPTP, the YWETS and the revamped YPTP&YWETS in various districts were as follows:

| <i>District</i> | <i>2007-2008 Programme Year</i> | | <i>2008-2009 Programme Year</i> | | <i>2009-2010 Programme Year</i> |
|------------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|-----------------------------------------|
| | <i>YPTP</i> | <i>YWETS</i> | <i>YPTP</i> | <i>YWETS</i> | <i>YPTP& YWETS</i> |
| Central and Western District | 53 | 87 | 78 | 114 | 187 |
| Wan Chai District | 23 | 57 | 24 | 56 | 73 |
| Southern District | 128 | 217 | 182 | 260 | 566 |
| Eastern District | 193 | 375 | 236 | 412 | 758 |

| <i>District</i> | <i>2007-2008 Programme Year</i> | | <i>2008-2009 Programme Year</i> | | <i>2009-2010 Programme Year</i> |
|------------------------|-------------------------------------|--------------|-------------------------------------|--------------|-----------------------------------------|
| | <i>YPTP</i> | <i>YWETS</i> | <i>YPTP</i> | <i>YWETS</i> | <i>YPTP & YWETS</i> |
| Yau Tsim Mong District | 150 | 291 | 158 | 274 | 403 |
| Sham Shui Po District | 257 | 437 | 279 | 513 | 828 |
| Kowloon City District | 137 | 257 | 155 | 285 | 486 |
| Kwun Tong District | 475 | 757 | 480 | 826 | 1 630 |
| Wong Tai Sin District | 352 | 625 | 399 | 640 | 1 179 |
| Sai Kung District | 289 | 416 | 295 | 432 | 839 |
| Kwai Tsing District | 482 | 773 | 495 | 791 | 1 367 |
| Tsuen Wan District | 136 | 218 | 160 | 242 | 471 |
| Sha Tin District | 342 | 611 | 345 | 627 | 1 058 |
| Tai Po District | 268 | 455 | 279 | 416 | 788 |
| North District | 370 | 505 | 411 | 550 | 976 |
| Tuen Mun District | 643 | 904 | 575 | 793 | 1 622 |
| Yuen Long District | 713 | 1 111 | 742 | 1 018 | 2 058 |
| Islands District | 90 | 115 | 89 | 121 | 249 |
| Others (the Mainland) | 2 | 0 | 1 | 2 | 5 |
| Total | 5 103 | 8 211 | 5 383 | 8 372 | 15 543 |

- (b) In the past three programme years, the numbers of on-the-job training vacancies received by the YWETS/YPTP&YWETS were as follows:

| | <i>2007-2008 Programme Year</i> | <i>2008-2009 Programme Year</i> | <i>2009-2010 Programme Year</i> |
|--------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Number of on-the-job training vacancies received | 12 141 | 10 722 | 12 098 |

Of these vacancies, 225, 241 and 185 were provided by social welfare organizations in the programme years of 2007-2008, 2008-2009 and 2009-2010 respectively. The breakdown by industry of training vacancies not provided by social welfare organizations were as follows:

| <i>Industry</i> | <i>2007-2008 Programme Year</i> | <i>2008-2009 Programme Year</i> | <i>2009-2010 Programme Year</i> |
|--------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Wholesale, retail and import/export trades, restaurants and hotels | 3 758 | 3 162 | 3 719 |
| Community, social and personal service | 2 723 | 2 703 | 2 452 |
| Construction | 776 | 886 | 1 545 |
| Financing, insurance, real estate and business services | 1 794 | 1 268 | 1 495 |
| Transport, storage and communications | 1 355 | 1 401 | 1 409 |
| Government sector | 386 | 265 | 408 |
| Manufacturing | 497 | 337 | 394 |
| Others | 627 | 459 | 491 |

- (c) Trainees participating in YPTP&YWETS may, depending on their needs and interests, enrol on one core course on job-search and

interpersonal skills training and/or a maximum of four elective courses on discipline and motivation training, computer application training or job-specific skills training in various trades. As some trainees may only attend the core course while other trainees may attend several elective courses on job-specific skills in different occupations/trades, we have not compiled statistics on whether the training is relevant to the work taken up by the trainees after they completed the programme.

- (d) To promote the employment of young people with limited work experience, YPTP&YWETS provides a monthly training subsidy of \$2,000 for a period of six to 12 months to employers who engage YPTP&YWETS trainees for on-the-job training. As employment relationship exists between the two parties, the employers are required to pay wages commensurate with the duties, responsibilities and training content of the posts to the trainees. With the enactment of the Minimum Wage Ordinance, employers are also required to pay to those trainees who are covered by the Ordinance wages no less than the statutory minimum wage rate. In the 2009-2010 Programme, the training vacancies filled by trainees offered an average monthly wage of \$5,747.

Development of Frontier Closed Area

18. **DR LAM TAI-FAI** (in Chinese): *President, some residents of the Frontier Closed Area (FCA), such as Sha Tau Kok, and so on, have relayed to me that the Government has been slow in reducing the coverage of FCA and has not implemented any development plan, and as a result, the precious land resources in Hong Kong have not been fully utilized. They have also pointed out that as FCA residents have all along found it very inconvenient to travel in and out of FCA and there is little flow of people in the areas around FCA, the economy in the area is persistently sluggish and employment opportunities are lacking. In this connection, will the Government inform this Council:*

- (a) *given that the Government plans to reduce, by the end of 2012, the coverage of FCA from the current area of about 2 800 hectares to about 400 hectares, whether the authorities will formulate plans for*

the future development of the area so as to facilitate economic activities such as industrial and commercial developments, as well as tourism, and so on, there; if they will, of the details; if not, the reasons for that;

- (b) what factors the authorities will consider in deciding whether the coverage of FCA will be further reduced in the future, so that more land will be released for development;*
- (c) given that under the existing requirements, non-FCA people have to be sponsored by FCA people when applying for Closed Area Permits (CAPs) to visit FCA, whether the authorities will examine the relaxation of the qualifications for sponsors (for example, by allowing non-governmental organizations such as schools and uniform organizations to act as sponsors in the application for CAPs for their students or members), so as to facilitate members of the public to enter the area for touring, visiting and teaching purposes; if they will, of the details; if not, the reasons for that;*
- (d) whether the authorities will examine the opening up of the entire FCA during weekends and public holidays, so as to promote tourism and industrial and commercial activities in the area; if they will, of the details; if not, the reasons for that;*
- (e) whether the authorities will consider extending the validity period of the Closed Road Permits (CRPs) for FCA and relaxing the conditions for their use (for example, by allowing multiple entries to and exits from FCA within several years for the drivers and vehicles concerned), so as to bring convenience to the public; if they will, of the details; if not, the reasons for that;*
- (f) whether the authorities will examine relocating those government departments which do not require direct contact with members of the public to areas within the precincts of FCA, so as to vacate urban land for more cost-effective uses, as well as to make better use of the land resources in FCA and increase the flow of people in the area; if they will, of the details; if not, the reasons for that;*

- (g) *given that the Shenzhen Government and the SAR Government are co-operating in the planning for the Lok Ma Chau Loop, with the intention of developing higher education and high-tech research and development projects in the area, whether the authorities will also examine the development of education services (for example, construction of universities) in FCA, such as in Sha Tau Kok, and so on; if they will, of the details; if not, the reasons for that; and*
- (h) *given that with an ageing population, the demand for elderly housing has increased, whether the authorities will examine the construction of residential care homes for the elderly (RCHE) in FCA so as to increase the supply of RCHE places and shorten the waiting time for such places; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, the Administration announced in January 2008 that the coverage of the FCA would be substantially reduced from about 2 800 hectares to about 400 hectares. The reduced FCA will mainly comprise Sha Tau Kok Town, Boundary Control Points and the realigned boundary patrol road. In respect of the Sha Tau Kok FCA, our reply is as follows:

- (a) The reduced FCA will mainly comprise Sha Tau Kok Town, Boundary Control Points and the realigned boundary patrol road. The Planning Department (PlanD) commenced the "Study on Enhancement of the Sha Tau Kok Rural Township and Surrounding Areas" (the Study) in April 2009. The Study aims to formulate an Integrated Area Improvement Plan to enhance the physical environment of Sha Tau Kok Town and its surrounding area. The Study will also assess the tourism potential of the area, taking into account the FCA status of Sha Tau Kok Town, and examine the possibility of enhancing the connection of Sha Tau Kok Town with other possible tourist attractions in the North East New Territories. The PlanD conducted the Community Engagement Stage One of the Study in 2009 to solicit public views on the visions and aspirations for the future development of Sha Tau Kok Town and its surrounding areas. The PlanD is now reviewing the comments received. Since Sha Tau Kok Town will remain within the FCA,

the security constraints of the FCA would need to be taken into account in considering the public comments.

- (b) As stated above, the Administration announced in January 2008 that the coverage of the FCA would be substantially reduced from about 2 800 hectares to about 400 hectares. From the security angle, it is necessary to retain the boundary patrol road and a narrow strip of land to its north within the FCA to maintain effective management and integrity of the boundary after the FCA is substantially reduced. As regards the reasons for retaining Sha Tau Kok Town within the FCA, it is mainly because of the unique physical setting of Chung Ying Street. Chung Ying Street is a narrow street. There is no physical barrier to delineate the boundary, nor are there any proper boundary control facilities. On the other hand, smuggling and illegal immigration activities at Chung Ying Street still persist. Given these security considerations and physical constraints, it is necessary to retain Sha Tau Kok Town within the FCA.
- (c) The FCA is an important security measure to maintain the integrity of the boundary between HKSAR and the Mainland and to combat illegal immigration and other cross-boundary criminal activities. To ensure effective management of the FCA, any person entering or leaving the FCA must possess a valid CAP.

To prevent excessive presence of people and activities in the FCA, the police will only issue CAP to applicants who have genuine need to access the FCA under the existing FCA policy. At present, students and members of schools and uniformed groups within the FCA can submit CAP applications direct to the police. All CAP applications must be assessed by the police, including verification with the heads of the relevant schools and uniformed groups within the FCA on the applications (commonly referred to as the "sponsoring" procedure). Currently, there is no plan to revise the relevant verification procedures.

- (d) Regarding the proposal to open up the Sha Tau Kok FCA to facilitate tourism activities, the Administration has all along engaged in discussion with Sha Tau Kok residents on various options for

opening up Sha Tau Kok Town on a limited scale, especially the Sha Tau Kok pier, to facilitate tourists' access to the outer islands in northeastern New Territories and the development of eco-tourism in the area concerned. However, due to the unique physical setting of Chung Ying Street, we have to ensure that the associated security measures will be acceptable to the local residents and can facilitate the police in maintaining effective boundary management in opening up the area for tourism development. As for the further promotion of business activities in the Sha Tau Kok FCA, we have explained in the above paragraphs that the PlanD has commenced work on the Study.

- (e) In order to ensure effective law enforcement within the FCA, we need to closely monitor the usage of the closed roads within the FCA to prevent excessive presence of people and activities. In considering applications for CRP for access to the FCA, the police will take into account factors such as road safety, traffic management, security conditions of the FCA and whether the applicant has genuine need to access to the FCA, and son on. In accordance with regulation 49 of the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E), the police may issue CRP of validity of not more than 12 months. At present, the Transport and Housing Bureau has no plan to extend further CRP's validity period and conditions of use.

- (f) For more effective use of valuable land resources, the general policy of the Government Property Agency is to relocate government offices with no location requirements out of high-value areas. In identifying suitable sites for the construction of new government offices, the Government will study the feasibility of constructing government offices in non-core business districts or new development areas. Factors for consideration include operational needs of departments, accessibility of the sites concerned, impact on the provision of public services, cost-effectiveness, and so on.

At present, there are two general government office buildings in the FCA, namely, Sha Tau Kok Government Offices Building and Ta Kwu Ling Rural Centre Government Building. According to the

latest information, there is no new demand from government departments for offices in the FCA and the Government currently has no plan to construct new government office buildings in the FCA or relocate other government offices to the area.

- (g) Regarding the development of Sha Tau Kok Town, the PlanD has commenced work on the Study. In addition, the Hong Kong and Shenzhen governments have adopted the principle of "co-study" and "co-development" and are now exploring the development of the Lok Ma Chau Loop for higher education as the leading land use, complemented with hi-tech research and development, and cultural and creative industries. In the "Study of Land Use Planning for the Closed Area", the PlanD also propose to improve the well-being and boost the local economy by promoting appropriate land uses, in addition to protecting the ecologically and environmentally sensitive areas.
- (h) The PlanD is conducting the Study to formulate an Integrated Area Improvement Plan for the area concerned. In addition, the Labour and Welfare Bureau and the Social Welfare Department have been proactively identifying suitable sites in various districts for elderly care services facilities. Apart from considering the size of the site, the planning parameters and restrictions on usage, the Government also needs to take into account the complementary transportation arrangements, the living environment, the demand and supply of services in the district, and so on. Due to various considerations, the Government currently has no plan to commission RCHE in Sha Tau Kok.

Courses Offered by Employees Retraining Board

19. **MS EMILY LAU** (in Chinese): *President, regarding the courses offered by the Employees Retraining Board (ERB), will the executive authorities inform this Council whether they know:*

- (a) *among the trainees of these courses in the past five years, the respective numbers and percentages of women who were not*

working as they had to take care of their families, those who were unemployed and those who were new arrivals in Hong Kong;

- (b) *if the ERB had collected statistics on the courses participated by the various aforesaid types of women in the past five years, so as to design courses suitable for them; if it had, of the 10 courses attended by the largest number of these women as well as the 10 courses attended by the smallest number of them, and the percentages of these women in the total number of trainees in the respective courses; and*
- (c) *if the ERB has included the concept of gender mainstreaming when designing the retraining courses, so as to meet the needs of different types of women; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President,

- (a) The numbers of women enrolled in placement-tied courses offered by the ERB for the unemployed and their percentages in the total numbers of the trainees of the courses in the past five years were as follows:

| <i>Year</i> | <i>Number of unemployed women enrolled in placement-tied courses</i> | <i>Percentage of unemployed women in the total number of trainees of placement-tied courses</i> |
|-------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 2006-2007 | 36 087 | 73% |
| 2007-2008 | 34 803 | 74% |
| 2008-2009 | 39 825 | 71% |
| 2009-2010 | 41 622 | 71% |
| 2010-2011 | 38 956 | 74% |

The numbers of new arrival women enrolled on ERB courses and their percentages in the total numbers of ERB trainees in the past five years were as follows:

| <i>Year</i> | <i>Number of new arrival women enrolled in ERB courses</i> | <i>Percentage of new arrival women in the total number of ERB trainees</i> |
|-------------|------------------------------------------------------------|----------------------------------------------------------------------------|
| 2006-2007 | 16 237 | 18% |
| 2007-2008 | 14 877 | 18% |
| 2008-2009 | 14 559 | 16% |
| 2009-2010 | 14 990 | 15% |
| 2010-2011 | 15 319 | 16% |

The ERB does not maintain a breakdown on the number of female trainees who stay out of the workforce to take care of their families.

- (b) The ERB has all along been adopting an employment-oriented approach in developing its courses. Drawing reference from labour market data on employment and vacancies, manpower demand of various industries, relevant manpower surveys and latest developments of society, the ERB looks into the manpower demand of industries with placement and development prospect for its service targets in order to develop and design courses that meet their employment needs.

Currently, the ERB provides about 800 training courses covering nearly 30 industries for different service targets. With its highly diversified courses, the ERB is able to offer plenty of options for different gender groups, and no one has ever been denied access to training opportunities on the ground of gender.

In the light of the fact that many new arrivals at the grass-roots level, in particular women, lack the basic vocational skills in language, information technology, and so on, for the local labour market, the ERB introduced a pilot course known as "Certificate in Foundation Skills for Employment" in 2010-2011 to provide training on such basic skills for new arrival women. Child care service was also provided for the trainees through the "Neighbourhood Support Child Care Project" of the Social Welfare Department during the training

period. The ERB is extending the training and service to all districts over the territory in 2011-2012 to benefit more new arrival women in need.

The top 10 categories of courses attended by the largest and smallest number of unemployed or new arrival women in the past five years and the related information are set out at Annex 1 and Annex 2 respectively.

- (c) The ERB is committed to providing diversified options for its service targets by exploring and developing new courses in different industries. When drawing up the curriculum, entry requirements and modes of training, it will use its best endeavour to ensure that these entry requirements and modes of training will not constitute sex discrimination or cause negative impact on women. The ERB also takes into account the needs of women in designing courses so as to provide them with suitable assistance. For instance, as mentioned in part (b) above, the ERB launched the pilot course "Certificate in Foundation Skills for Employment" in 2010-2011 in the light of the needs of new arrival women and provided child care services for them through collaboration with the "Neighbourhood Support Child Care Project" of the Social Welfare Department so that they could be relieved to receive training.

Since the establishment of the ERB in 1992, more than 1.5 million trainees have participated in its courses. Among them, more than 70% are women. The ERB believes that some of its training courses (such as the certificate courses for post-natal carers and domestic helpers) have been a great impetus for unleashing hidden female workforce in the community. Through these training courses, women who have to take care of their families or who lack qualifications and working experience can also make significant contribution to the community.

Annex 1

Top 10 categories of placement-tied courses attended by the largest number of unemployed women in the past five years

| <i>Course Categories</i> | <i>Attendance of unemployed women</i> | <i>Percentage of unemployed women in the total number of trainees of the respective placement-tied courses</i> |
|----------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Domestic Services | 58 591 | 100% |
| Property Management and Security | 33 191 | 48% |
| Hotel/Catering | 19 139 | 79% |
| Healthcare Services | 17 177 | 90% |
| Business | 13 405 | 75% |
| Beauty Therapy/Hairdressing | 12 101 | 98% |
| Retail | 12 022 | 88% |
| Chinese Healthcare | 11 574 | 81% |
| Social Services | 2 674 | 78% |
| Tourism | 2 172 | 59% |

Top 10 categories of placement-tied courses attended by the smallest number of unemployed women in the past five years

| <i>Course Categories</i> | <i>Attendance of unemployed women</i> | <i>Percentage of unemployed women in the total number of trainees of the respective placement-tied courses</i> |
|-------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Transportation and Support Services | 17 | 8% |
| Electrical and Mechanical Services | 50 | 1% |
| Watch and Jewellery | 66 | 37% |
| Construction and Renovation | 85 | 4% |

| <i>Course Categories</i> | <i>Attendance of unemployed women</i> | <i>Percentage of unemployed women in the total number of trainees of the respective placement-tied courses</i> |
|-------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Entertainment and Performing Arts | 156 | 37% |
| Wearing Apparel and Textile | 242 | 90% |
| Financial Services | 384 | 48% |
| Information and Communications Technology | 418 | 22% |
| Education and Recreation | 424 | 58% |
| Logistics | 563 | 28% |

Annex 2

Top 10 categories of ERB courses attended by the largest number of new arrival women in the past five years

| <i>Course Categories</i> | <i>Attendance of new arrival women</i> | <i>Percentage of new arrival women in the total number of trainees of the respective ERB courses</i> |
|------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------|
| Information Technology Application | 18 587 | 15% |
| Domestic Services | 15 242 | 19% |
| Hotel/Catering | 7 789 | 32% |
| Property Management and Security | 7 248 | 10% |
| Workplace Languages and Numeracy | 6 441 | 22% |
| Chinese Healthcare | 4 260 | 23% |
| Healthcare Services | 4 214 | 20% |
| Retail | 3 929 | 29% |
| Beauty Therapy/Hairdressing | 3 648 | 26% |
| Business | 2 066 | 9% |

Top 10 categories of ERB courses attended by the smallest number of new arrival women in the past five years

| <i>Course Categories</i> | <i>Attendance of new arrival women</i> | <i>Percentage of new arrival women in the total number of trainees of the respective ERB courses</i> |
|-------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------|
| Transportation and Support Services | 2 | 1% |
| Electrical and Mechanical Services | 4 | <0.5% |
| Watch and Jewellery | 7 | 4% |
| Construction and Renovation | 8 | <0.5% |
| Entertainment and Performing Arts | 10 | 2% |
| Training in Personal Attributes and Job Search Skills | 12 | 3% |
| Wearing Apparel and Textile | 22 | 8% |
| Financial Services | 25 | 3% |
| Education and Recreation | 45 | 6% |
| Logistics | 68 | 3% |

Hong Kong-Zhuhai-Macao Bridge

20. **MR ABRAHAM SHEK** (in Chinese): *President, the High Court earlier ruled that the two environmental impact assessment (EIA) reports on the Hong Kong-Zhuhai-Macao Bridge (HZMB) project did not comply with statutory requirements, requesting that the environmental permit for the project be withdrawn by the Director of Environmental Protection and that a baseline study be conducted on the relevant EIA reports. In this connection, will the Government inform this Council:*

- (a) *of the Government's latest projections on the progress, construction costs and completion date of the HZMB project;*

- (b) *of the criteria adopted by the authorities at present for deciding whether or not a baseline survey on a project will be conducted;*
- (c) *given that according to the requirements stipulated in section 7 of the Environmental Impact Assessment Ordinance (Cap. 499) (EIA Ordinance), the public and the Advisory Council on the Environment may comment on an EIA report before it is approved, whether the authorities had, prior to approving the two EIA reports on the HZMB project, received any proposal from the public and the Advisory Council on the Environment that a baseline survey on the EIA process of the project should be conducted; if they had, of the details;*
- (d) *since the EIA Ordinance came into operation on 1 April 1998, of the number of projects on which baseline surveys had not been conducted when the EIA process was carried out; of the number of projects whose EIA reports had been withdrawn because they did not comply with statutory requirements, together with details of the relevant projects (list in table form); and*
- (e) *whether the Government will review the existing statutory EIA process in order to ensure that future projects will not be delayed due to faulty EIA work; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the Environmental Protection Department (EPD) do not agree with the Judgment of the High Court (Judgment) as it will pose significant implications on future EIAs and the execution of the EIA Ordinance. After seeking legal advice and considering relevant factors thoroughly, the EPD has lodged an appeal against the Judgment.

- (a) The Transport and Housing Bureau advised that works of the HZMB Main Bridge have already commenced and have been progressing well. Although the earlier Judgment in respect of the EIA reports of the HZMB local projects will have some impact on the programme of the local projects, the Highways Department (HyD), which is responsible for the projects concerned, is now actively

examining how the works are to be taken forward, such as phased construction and phased completion, and so on, so as to compress the construction programme as far as possible. It will also continue to press ahead with the preparatory work of the various local projects to endeavour to tie in with the target of completing and commissioning the Bridge in 2016. To enable the works concerned to start as early as possible, in parallel with the EPD's application for leave to appeal against the abovementioned Judgment, the HyD indicated that it would review the EIA reports of the HZMB local projects, and resubmit relevant EIA reports in line with the Judgment and the statutory procedure. It will only be upon the completion of the said review by the HyD and the finalization of the construction method, as well as confirmation of the timing that the works could be taken forward, before we could have a more accurate grasp of the practical implications of the Judgment on the progress, construction cost as well as the completion date of the HZMB local projects.

- (b) The EPD has been following the requirements as stipulated in s.3.4, Annex 12 of the Technical Memorandum on the EIA Process (TM) in conducting the "baseline study" in air quality assessment. The detailed requirements are as follows:

"3.4 Baseline Study

It involves the description of the existing air quality based on, but not limited to, existing air quality monitoring on-site or quality assured measured data which can be obtained from government agencies, companies or instructions. The baseline study involves a discussion of background air quality value due to uninventoried sources and contributions from outside the study area and description of the method used for determining this value."

It should be noted that the "Baseline Study/Survey" described above refers to the description of the existing air quality. Whereas, the Judgment held that apart from ensuring the cumulative environmental impacts caused by the designated projects will comply with the relevant standards and criteria, the EIA report should also compare the environmental impacts of the scenarios with and without the project in place. That is, to assess the air quality in

the future assessment year without the project in place in order to assess the direct impact of the project and relevant mitigation measures, so as to minimize the environmental impact to the satisfaction of the authority. In view of the Judgment, project proponents have to conduct the related analysis in their EIA reports.

- (c) During the public inspection period and consultation with the Advisory Council on the Environment of the two HZMB EIA reports, EPD did not receive any comments on the baseline study or baseline survey. There was also no request for the analysis of air quality in the future assessment year without the project in place.
- (d) Since the implementation of the EIA Ordinance in 1998, the EPD has been following the requirements as stipulated in s.3.4, Annex 12 of the TM in conducting the existing "baseline study" for air quality. There was no EIA report withdrawn/rejected because of not meeting such requirements.
- (e) In the meantime, the EPD shall follow the requirements of EIA Ordinance and the Judgment when considering applications submitted under the EIA Ordinance. As the EPD has lodged an appeal against the Judgment, we have nothing more to supplement for the time being.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Ms Miriam LAU will move a motion under Rule 49E(2) of the Rules of Procedure to take note of Report No. 22/10-11 of the House Committee laid on the Table of the Council today in relation to the Declaration of Constituencies (District Councils) Order 2011 and the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011.

According to the relevant debate procedure, I will first call upon Ms Miriam LAU, mover of the motion, to move the motion. The debate on the motion will be divided into two sessions. The first session is for debating the Declaration of Constituencies (District Councils) Order 2011; and the second session is for debating the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011.

Each Member may only speak once in each session and may speak for up to 15 minutes each time. I will first call upon the Chairman of the Subcommittee formed to scrutinize the subsidiary legislation concerned to speak, to be followed by other Members. Finally, I will call upon the public officer to speak.

The second debate session shall start immediately after the public officer has spoken in the first debate session. The debate will come to a close after the public officer has spoken in the second debate session. The motion will not be put to vote.

I now call upon Ms Miriam LAU to move the motion.

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

MS MIRIAM LAU (in Cantonese): President, in my capacity as Chairman of the House Committee, I move the motion under Rule 49E(2) of the Rules of Procedure as printed on the Agenda so that Members may debate on the Declaration of Constituencies (District Councils) Order 2011 and the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 of Report No. 22/10-11 of the House Committee in relation to the subsidiary legislation and instruments.

Ms Miriam LAU moved the following motion:

"That this Council takes note of Report No. 22/10-11 of the House Committee laid on the Table of the Council of 18 May 2011 in relation to the subsidiary legislation and instrument(s) as listed below :

| <u>Item Number</u> | <u>Title of Subsidiary Legislation or Instrument</u> |
|--------------------|--------------------------------------------------------------------------------------------|
| (1) | Declaration of Constituencies (District Councils) Order 2011 (L.N. 44/2011) |
| (2) | Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 (L.N. 45/2011)." |

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): We now proceed to the first session, that is, to debate the Declaration of Constituencies (District Councils) Order 2011.

MR IP KWOK-HIM (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Declaration of Constituencies (District Councils) Order 2011, I now report on the deliberations of the Subcommittee.

Members have expressed strong dissatisfaction with the delay in finalizing the delineation of the District Council constituency areas (DCCAs) since it would affect the preparatory work of incumbent District Council (DC) members and prospective candidates who plan to stand for the upcoming DC ordinary election. They consider that the Administration should advance the schedule for the delineation of DCCAs in the future.

In response to Members' questions on the delineation work, the Administration explained to the Subcommittee in detail the relevant statutory criteria and the working principles employed by the Electoral Affairs Commission (EAC).

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

Deputy President, some Members have expressed concern for the lack of transparency in the demarcation exercise and whether it is free from consideration of factors with political implications. However, some Members also think that as the EAC will base on the statutory criteria including population quota to make adjustments to the existing boundaries of the DCCAs, political considerations should not be involved. They also think that the EAC should engage in the demarcation exercise independently and it is inappropriate to interfere with any recommendations made.

Deputy President, the Subcommittee does not oppose this Declaration of Constituencies (District Councils) Order. Now I would like to speak on behalf

of the Democratic Alliance for the Progress and Betterment of Hong Kong in support of the Declaration Order concerned.

With the passage of the constitutional reform package, four different elections will be held in the coming 15 months. All kinds of preparatory work are beginning to take place. The first election to be held is the Fourth Term DC Election this November. The DC Election would involve issues like the delineation of DCCAs. The date for announcing the current demarcation exercise for DCCAs on this occasion is the closest exercise to the polling day ever conducted. Now there are only about six months to the election and it is more than half a year later than the date when the formal DCCA boundaries map was normally announced previously. The DAB is of the view that this greatly affects the preparatory work of those who intend to stand for the election. This is far from being satisfactory. We hope that the Administration will take note of that and in the various elections to come, ensure that a similar impact will not be produced.

The process from delineating the boundaries of the constituency areas to the actual election must be ensured to be fair, open, impartial and transparent. The EAC when delineating the constituency areas must adhere to its working principles and statutory criteria and must not be affected by any political implications. After considering the views from the public and all quarters, the EAC should adjust the existing constituency areas in a fair and independent manner. With respect to the relevant decision now, I am sure that there is only one aim and, that is, to achieve fairness for all potential candidates. The Government emphasizes that some of the modifications made in the demarcation exercise on this occasion are recommendations made in view of the latest change in population. However, the population quota for each constituency is maintained at 17 275 persons with +/-25% deviation limits. The DAB therefore supports the adjustments made in line with population change. In such circumstances, the Government has added seven elected DC seats. This tallies with the realistic situation characterized by population growth and will not lead to any significant change in the demarcation of DCCAs or cause any damage to the cohesion which already exists in the community. We have also certainly heard some voices in society which say that the population quota for each DC seat is too small and this leads to narrow-mindedness in the DC members. There is hence a need to expand the electoral base and make DC members more representative. The DAB does not subscribe to this view and we think that the present standard population quota is appropriate, for this can enable DC members

to maintain close ties with the residents. This therefore provides a reasonable scope for DC members to grasp what is happening in the district concerned. This is indeed beneficial to knowing the needs of the residents. So the DAB thinks that the existing population quota should be maintained. If any change is to be made to the population quota, the DAB holds that adequate consultation must be held first.

With these remarks, I support the passage of the Declaration Order so that electoral work can get started soon.

Thank you, Deputy President.

MR FREDERICK FUNG (in Cantonese): Deputy President, the delineation of constituency boundaries a very important and political task. It must be independent, devoid of any political stand and transparent. Those who engage in such work should not think that they are fair and impartial, but they must be seen to be fair and impartial.

I once studied in the United Kingdom for three years and by chance I came across an election of a local council. On that occasion, I could see that a new election could have an effect on the demarcation of local constituencies because the ruling party was different. There would be changes in the demarcation of constituencies in each election. These changes were quite small and could have just involved one, two or three streets, but the result of the election could be an incumbent member from party A losing his seat and in his stead, a candidate from party B got elected. This was especially the case in constituencies where the support which party A and party B got was quite similar. Then that change which involved one or two streets was not technical in nature, but a change that had political results. So if the Government is to appoint a committee or a District Officer to be responsible for the related work, it must appoint people who are genuinely politically neutral and who will handle matters with an independently frame of mind while taking into consideration the realistic circumstances.

The political neutrality and independence of the District Officer or the committee so appointed must be ensured. In this way, even if the demarcation of constituency boundaries is not entirely free from fault, at least there is no case of people obviously feeling unconvinced.

Deputy President, I wish to talk about one such case today. So Uk Estate in Sham Shui Po is to be pulled down for redevelopment. Half of the residents have moved out and the remaining half does not meet the population quota to become a constituency. And the incumbent DC member for So Uk Estate is a member of the DAB. So where will the residents of the remaining blocks move? Those from one block will move to Li Cheng Uk Estate which is a three minutes' walk away, that is, the Li Cheng Uk Constituency. Why should residents from a block be allocated to the Li Cheng Uk constituency? This is because the population in Li Cheng Uk does not meet the population quota for a constituency. And so when the authorities allocate residents from one block in So Uk Estate to Li Cheng Uk Estate, this sounds reasonable because So Uk Estate and Li Cheng Uk Estate are only separated by one bus terminal and you can go from one place to another in three minutes. But what is unreasonable is that the residents of the remaining six or seven blocks will have to be moved to Un Chau Estate which is three blocks away. A person who walks slowly will have to spend seven to 10 minutes to reach there while a person who walks fast will have to spend five minutes. Un Chau Estate has enough voters and it can become a constituency by itself. When residents from these few blocks of So Uk Estate are moved to Un Chau Estate, it will only add to the number of voters in that particular constituency. On the other hand, since the number of voters in Li Cheng Uk Estate is not enough, the authorities then divided up the population of So Uk Estate into two. Most of the people are allocated to Un Chau Estate while a small number of the people are allocated to Li Cheng Uk Estate.

How is that unfair? The DC member for So Uk Estate will have to move to Un Chau Estate and it looks as if the residents are going with the DC member as well. During the consultation exercise, we informed the Government clearly of this situation. The first question is, why is So Uk Estate divided into two? The authorities could have allocated all the residents to Un Chau Estate. But one block of residents were allocated to Li Cheng Uk Estate because the number of voters in Li Cheng Uk Estate is not enough. Why then are not all the residents allocated to Li Cheng Uk Estate? While the authorities try to get enough people to fill the population quota, they make the residents move with the DC members. What an ugly farce.

If we look at the figures, we can never be convinced that this case is independent and free from political considerations. Maybe the authorities have never considered how to explain why So Uk Estate is divided into two and most

of the residents are allocated to Un Chau Estate where the population quota for voters is already filled up while a small portion of the residents are all allocated to Li Cheng Uk Estate where the population quota is not filled up. We thought that after we had informed the Government of this situation, it would consider allocating all the residents of So Uk Estate to Li Cheng Uk Estate. Even if the case were not handled this way, the authorities should have allocated all the residents of So Uk Estate to Un Chau Estate and then allocate the residents of one or two blocks of private buildings to the Li Cheng Uk constituency. Only this can make me feel reasonable and a bit convinced that the voters do not have to go with the DC member.

Deputy President, I am really upset about this case. In the past I seldom spoke in a debate on this issue. This is because, as Members, we have our own political stand and interests and we even belong to a political party. When I speak, it is like I am making comments on the delineation of constituency boundaries for the sake of the interest of my political party. The case I have mentioned reminds me of the example I have just cited about the United Kingdom, that is, when the constituency boundaries for three streets are modified, then another person would take the place of the incumbent council member. I am not trying to modify the boundaries of these three streets, so to speak, in order to get someone from the Hong Kong Association for Democracy and People's Livelihood (ADPL) elected. But this case I have mentioned is too outrageous and so I have to mention it in the Chamber and at least put it on record.

Deputy President, in my opinion, this demarcation exercise is fraught with political motives. It is not independent, and it is ignominious.

MS EMILY LAU (in Cantonese): Deputy President, I speak in agreement with the aversion shown by Mr Frederick FUNG just now. First of all, I share Mr IP Kwok-him's view that the schedule in which the Government handled this Order was too tight. Despite the explanation given by the Government, saying that the delay was due to the need to handle election matters last year, we find that it is unacceptable.

Deputy President, if time was so tight, you people from the Liberal Party would not have sent people to stand for the election and you should know that the boundaries were not delineated and so how could preparations be made? In

reply the authorities said that the point was not there because the interim proposal was announced on 3 December last year and we could begin our preparations according to the interim proposal. Had we really started our work last December, I would think that it is a bit late. And we did not know how could that be done. Deputy President, it is not that no preparation can be made but as we have heard, we might as well follow the practice of other people and do it in their way. But what kind of view was that? Deputy President, I suspect that some people have got wind of something.

Therefore, this has something to do with the question I raised in the Subcommittee. Is the matter being politicized? The proposal concerned is made by a Judge and it is said that he would strive to be fair, impartial and open. Actually, we cannot say that it is open, because the transparency is not high. However, the problem relates to the process for before the interim proposal was made, the EAC would consult the District Officer of the district concerned and listen to his or her views. When I learnt about this, I was shocked. Now the authorities are saying that these District Officers are like a mini Chief Executive in their districts. I asked them what they had discussed. Deputy President, they said that it was chiefly an analysis of the special features of the community in the local administrative district and the local links, the situation of public facilities shared by the community in the district concerned and developments in that district. What kind of discussion is that?

Frankly, I do not think Justice Barnabas FUNG is well-versed in political forces and the wrestling of such forces. Will the District Officer offer his analysis of the situation, pointing out that the DAB is a formidable force in that community, and although the party seems to duck under water, they have an enormous influence, and things like that? Deputy President, what in fact was discussed? Deputy President, I asked the authorities if the contents of the discussion could be revealed. The reply I got was, there was very high transparency in the discussions in that the views put forward by what persons and whether these views were accepted or otherwise were all known and the reasons were all given. I asked if the remarks made by that District Officer could be revealed. I do not know why the clerk did not put down this crucial sentence in the report. The result was that my request was turned down.

In my opinion, as the Chairman of the Subcommittee, Mr IP Kwok-him also agreed that things should be handled in a fair, impartial and open manner.

Then the authorities should tell us what exactly the District Officer has said. Deputy President, both you and I were not born yesterday and we know that the delineation of constituency boundaries is also a very politicized exercise in any democratic country. Those in power will do everything they can to delineate boundaries at their will and so some people will have a bad time. So this is a very tricky issue.

We can be said to be a party in politics — Deputy President, this is what the Secretary refers to us — that is to say, we can only take part but we cannot be the ruling party. But there are still royalists around. As the authorities have made it very clear, there is affinity differentiation to go by. Our members at the districts have told us clearly that this affinity differentiation prevails in things which the Chief Executive, the Secretaries of Departments, the Secretaries and even the Director for Home Affairs do. It remains, of course, that there are exceptions. So when they delineate the boundaries, it is not at all inconceivable that they will try to force out someone. So both you and I will not be so naïve as to think that this electoral system is fair, impartial, objective and independent. However, I want very much to know what this District Officer has said to the EAC, resulting in such controversies in boundary demarcation. Deputy President, the authorities refuse to comment and will not tell us.

Deputy President, this demarcation problem will certainly appear in future. We from the Democratic Party want to send out this message because we feel that there is something uncanny about it. Certainly, we hope that the Judge can be impartial and we have said on many different occasions that the authorities should not find a Judge to do all sorts of things and try to cover up the ulterior motive. If they authorities are in for something, then they should state openly that they want to put an end to us, instead of getting a Judge to do the delineation work and pretend to be impartial. Actually, this is something known to many people who have stood in any election.

Deputy President, this Order has become a *fait accompli* and it will be rolled out only in June. The Secretary should conduct a review of that situation thoroughly to see why the announcement would be made so late. If people will really act according to it, I am sure they will meet a bitter end. Deputy President, there are some people who are undaunted by this because they knew a long time ago what they should do. Deputy President, maybe your party does not have any knowledge of that because your party has also been suppressed. In

this situation where the affinity rule prevails, we can do nothing about it. The golden rule is: those who sail in the direction of the wind will prosper while those who sail against it will perish.

Some people who come to Hong Kong have noticed this situation. They say, it has been many years since the Chinese communists have taken over Hong Kong, so what are you doing here? They think that we are totally obliterated. It is fortunate that the authorities are unwilling to conduct a survey on the human rights awareness. This is because they know well enough that the people of Hong Kong have a profound awareness of human rights, the rule of law and equity and no matter what the authorities will do to crush the so-called opposition camp, citizens would come forth to do all justices.

I wish to tell the Deputy President, the people of Hong Kong, the authorities and the Chairman of the EAC that we think that there is something wrong about the Order. We hope that amendments can be made to it expeditiously. Perhaps the authorities will say flatly: This is the way with us and we have the say here. We can draw the boundaries in any way we like.

MR LEE WING-TAT (in Cantonese): Deputy President, for many years it has been the convention in the Legislative Council that Members will respect the decision made by the EAC in matters concerning the delineation of constituency boundaries. This is because Members always think that the EAC is an independent body and a person who is not a civil servant or a Judge, or some other person is appointed as its Chairman. The EAC Chairman is responsible for handling the delineation of constituency boundaries which has a bearing on justice in elections.

In fact, the delineation of constituency boundaries is a most political issue and even in a so-called democratic country like the United States, when it comes to the delineation of constituency boundaries and when the ruling party appoints someone as the chairman of a body tasked with delineation work, there are criticisms that the chairman will favour a certain political party or of being unfair to certain political parties. In this regard, Singapore is most notorious. In this country which practises the system of "one person, one vote", it can go so far as

saying that in delineating the constituency boundaries, efforts will be made deliberately to make the opposition party lose in the election.

Why is the delineation of constituency boundaries so important? The key lies in the distribution of votes. In Hong Kong, it can be said that the development in this respect is quite mature and there is increasing transparency in the system. Candidates in the election will be able to know how many votes are cast in each polling station. For example, when I ran for the Legislative Council elections, I would be able to know the votes cast in each polling station. I would be able to know roughly my chances of winning when I know whether I can get the support of the mutual aid committee of each block of building in the district, the number of voters on record or the number of owners' incorporations which support me. So even if I am not 100% sure, I will be able to know in which areas or housing estates I would get more support and where in the district I do not appear as strong as other contestants. Members like Mr TAM Yiu-chung and Mr IP Kwok-him who have run in the elections for so many years will know roughly what the situation is like in each constituency.

This is why it is so important that all through these years we have relied on the Chairman of the EAC to discharge his duties impartially. Why do I rise and speak today? Putting aside the elections for the Legislative Council for the moment, for there is not much room to make significant changes to the five major constituencies. With respect to the DC elections in these few terms, I think that if the delineation of DCCAs is unfair, it will affect the outcome of the election.

The EAC Chairman in the last two terms of DC elections was Justice WOO Kwok-hing. Now he is no longer in the post and Justice Barnabas FUNG has taken up the baton. Previously when I met with Justice WOO I raised a question and I asked who had given him the information for boundary delineation. At that time I said to him in a rather rude manner that there were some 400 DC constituencies all over Hong Kong. And I said that even I who had been in the political circles for 26 years and who had visited almost every constituency could not boast that I could know exactly which candidates were stronger or weaker in a constituency. Then who is in the best position to know this distribution of forces? It should be those in the District Office. This is because the Director Officer will advise the Chairman of the EAC on the delineation of constituency

boundaries. Whether the District Officer is fair in handling such matters could affect the outcome of the delineation work.

If the incumbent EAC Chairman is asked about the question of how the boundaries for each constituency are drawn, with due respect, I say that I think he does not have the resources, experience and time to study each constituency closely. Generally speaking, when he gets the delineation proposal from the District Offices, he would see if there are any major problems or whether they differ from the delineation in last term's election. At most it is when he notices some changes in a constituency or some major constituencies that he would ask why there are such changes. Colleagues in the District Offices are probably the ones who can influence most the outcome of the demarcation exercise. The key to the outcome of the demarcation exercise lies in the District Officer of each District Office and whether or not that person is politically neutral.

In the beginning of 2007, the Permanent Secretary for the Home Affairs Bureau was Mrs Carrie LAM. Now she has been promoted to a Director of Bureau. At that time, some rumours were doing the rounds among the media which could never be substantiated. It was because she would definitely not admit it. It was said that she had pointed out that only two bases for the democratic camp were left at that time. One was in Sham Shui Po and the other was in the Kwai Tsing District because the Chairmen for these two DCs were members from the democratic camp. They were Mr Frederick FUNG of the ADPL and CHOW Yick-hay of the Democratic Party. But she said at that time that these two districts would be taken over for sure in the election of the following term, that is, in 2007. By "taken over" she meant that people from the democratic camp could not be the chairman of the respective DC. And she really put her words into action. After the DC election in 2007, Mr Frederick FUNG of the ADPL could not become the DC chairman for the second term. And in the Kwai Tsing District to which I belonged, people from the democratic camp got most of the popularly returned seats — sorry, I have to say that people from the democratic camp got most of the popularly returned seats in the Kwai Tsing District. However, when added to the appointed DC members, I ended up losing by a narrow margin of two votes. There were eight appointed DC members and altogether there were nine when the representative from the Heung Yee Kuk was included. Why did she have to do that?

In the last DC election, there was a constituency called Tsing Yi South. The case was also reported by the *South China Morning Post*. The authorities just divided up a seat into three. It was a highly politicized method to draw constituency boundaries. So I lodged a complaint and disclosed the case to the press. I think no matter how delineation work is done, an existing constituency should not be divided into three. Put more plainly, this would make the candidates from that constituency surely fail no matter in which constituency he stands for the election. This is because his power base is split into three parts and he only gets one third of his former strength. So he is doomed to failure no matter in which constituency he stands for the election. This is precisely the unfairness about the delineation of constituency boundaries.

I have not joined the Subcommittee on delineation matters. But as far as I know, Honourable colleagues once asked in the meeting whether or not the reports submitted by the District Officer for each of the 18 District Offices to the Chairman of the EAC could be made public. The reply from the Government was in the negative. But why can these reports not be made public? I am very much baffled. I have great doubts about this matter. This is because the present situation is that both the Government and the pro-establishment camp attach great importance to the DC elections, and as we know, this is because not only does it affect the direct elections of the Legislative Council, but also the District Council (second) Functional Constituency (FC) in the election next year which is a FC encompassing all the DCs in Hong Kong. And that FC election can also be considered pivotal. It is because the election results in only a few constituencies can determine whether or not a person can be nominated. Once a political party wins in that DC FC, it can greatly enhance the power of that particular political party. So I think that the Secretary must respond to this question seriously. Why can the reports submitted by the District Officers of the 18 districts to the EAC Chairman not be made public? Is there any secret which can never be disclosed to anyone? Or are there any recommendations which are not reasonable? Did the Chairman of the EAC accept these reports even though there are such unreasonable recommendations?

Deputy President, I know that I must be very careful when I advance this view, for it may not be respectful to the persons concerned. But since there are so many things about the results of the delineation work which arouse suspicion in people, it is really hard for me to believe that the Chairman of the EAC would

be able to act in a totally independent manner. I am not saying that he does not have independent thinking. He may be very independent in his thinking. I do not know if he works as the Chairman in a full-time capacity. I hope that he will be fully committed to doing his job. For if not, he will be acting under the influence of the reports submitted by the District Officers as I have said. Since it will be such a fiercely contested election, I think it would not be strange at all if the District Officers give their advice under the hints or instructions of the Government or the Central Authorities.

Can such a situation be called impartial? Deputy President, I am beginning to develop a lot of misgivings, particularly given the results of this kind of delineation work. So I really hope that the Secretary can respond to this issue later on. If he refuses to give us the reports, I do not rule out the possibility of us discussing in the Democratic Party how to force the Secretary to present those reports. This is really a matter of grave importance. I do not think it is common for us to take this course of action. I recall we have never thought of setting up a subcommittee to study the boundary delineation reports of the EAC because we all think that the EAC can act independently. But we find that this kind of independence is increasingly lacking and it is because of this impression we have that I have been compelled to speak. Thank you, Deputy President.

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

MR TAM YIU-CHUNG (in Cantonese): Deputy President, originally I did not intend to speak because my colleague, Mr IP Kwok-him, is the Chairman of the Subcommittee concerned, and he has spoken on the motion.

However, after listening to the speeches made by Members, the impression I have got is that Members think it would be the best if these constituencies remain unchanged. But we know that there are times that change is inevitable. This is because the Government has set some standards based on population size. And there are times that the population size will change. On top of that, there are factors like clearance, redevelopment, and so on, which affect some districts.

As far as I know, this demarcation exercise has actually entailed the least number of changes compared to past ones. But this has likewise led to many accusations. As seen from the speeches made by Members, a pile of accusations are made. Members accuse the District Officers of being partial, the EAC Chairman of failing to grasp the situation and the committee responsible for the delineation work of not doing a good job, and so on. The Secretary should of course respond to these accusations later on.

However, I think that many of such accusations, like the many remarks made by Ms Emily LAU earlier, seem to be not founded on facts. They are no more than a feeling of being unfairly treated. The implication is that the DAB has got all the advantages. The speech made by Mr Frederick FUNG is entirely devoted to the case of So Uk Estate alone.

So Uk Estate is now being redeveloped. Redevelopment means new changes. But this kind of delineation work is interpreted as favouring the DAB DC member in that constituency. When I had a chance to visit the area recently, I heard our DC members airing their grievances to me. They said that the area was divided into three parts and they were at a loss as to how work could be carried out at the district level. They had to start all over again in many matters. So their opponents seem to find themselves in a better position.

In my opinion, there is no need to indulge in speculations in respect of such matters. Secretary, actually when I visit any of our branch office or district, I would get a lot of this kind of complaints when I talk with our DC members. Last night, I was in the Kwai Tsing District and some DC members from our party also complained to me. They said that the demarcation of constituency boundaries in this manner was obviously doing favour to their opponents because a seat was added for no reason. They did not understand why and said that the Government had cheated them on every occasion. They felt the adverse impact of this kind of delineation and could not get any advantage out of it. I have heard many of such complaints.

As the party chairman I can only tell Members that since a decision is made by the committee responsible for delineation, this is a *fait accompli*, like it or not. We should all work hard after making these remarks. We should study how to rebuild ourselves in the new environment and in the newly delineated

constituencies. We should do a better job in reaching out to the people, work out how to make the people know us better and win their support. I also advised them that it would be useless to grumble. The most important thing is to better equip ourselves and do a good job. This is actually our spirit of hard work and diligence.

I would think that it is not practical at all to grumble about everything, or wait for one's luck or a chance to discredit other people. Instead we should aim at doing solid work. The people's eyes are discerning and they know who can really help them and to whom they should lend their support. They are really astute in such matters. It would not help to harbour too many grievances or make efforts in inciting hatred and division in this Council, or engaging in insinuations and smearing. These are things which the DAB will never do.

Thank you, Deputy President.

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

MR WONG KWOK-KIN (in Cantonese): Deputy President, as Mr TAM Yiu-chung said, originally, I did not intend to speak but on second thought, I think it is still necessary to make some brief remarks.

I have received a lot of complaints from my brothers in arms in my district, saying that the delineation of constituencies by the Government was unfair to their communities and that without any ground, two private residential buildings were included in their constituencies. As we all know, it is very difficult to work on private buildings. Originally, I also advised my brothers, saying to them, "Buddies, we have to look at it from the wider perspective. We only have to focus on a large area and there is no need to care about people in neighbouring areas coming here to compete with us, nor do we have to care about how the constituencies are delineated. So long as we win, that would do.". However, now that I have thought about it again, I think something is not quite all right and since many political parties are complaining about this, if I do not also do so, in the future, if we lose, my brothers will blame me. Therefore, I also have to complain together with them, so that I can be considered to have acted in a responsible way to my brothers because they all said that the delineation of the

constituencies was unfair to us. I wonder if this is because there are still some remnants of the British-Hong Kong regime and the Government only wants to help people with intricate relationships with them, so it is trying to trick us with such a way of delineation.

I have thought about this over and again. There is a saying in Chinese, that is, "to blame the floor for being hard". If we blame it on something else, even if we lose in the future, we can still give a satisfactory explanation. Therefore, after thinking this over, I also think that I have to speak up and say that many of my brothers are dissatisfied with the delineation this time around. I believe that if the delineation of DC constituencies is changed, many original constituencies are affected in various degrees. When one lacks confidence in running in the elections, one can only blame it on something else. In these circumstances, I have to say a few words for my brothers, for the record, so that in the future, we can blame it on something else by saying that the floor is hard. Thank you, Deputy President.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, Members have already spoken in this session. I now call upon the Secretary for Constitutional and Mainland Affairs to speak. This debate session will come to a close after the Secretary has spoken.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Deputy President, the fourth District Council Election (DC Election) will be held in November this year. The Electoral Affairs Commission (EAC) has submitted its recommendations on the delineation and names of constituencies for this Election to the Chief Executive in accordance with the relevant provisions in the Electoral Affairs Commission Ordinance (the EAC Ordinance).

The Chief Executive in Council adopted all the EAC's recommendations in late March and formulated the Declaration of Constituencies (District Councils) Order 2011 (the Order). The Order was tabled before the Legislative Council on 31 March 2011 for scrutiny. Subsequently, the Legislative Council decided to form a subcommittee to scrutinize the Order. The Chairman of the Subcommittee, Mr IP Kwok-him, and its members have offered their valuable views on the Order during the scrutiny and completed the scrutiny within a short period of time, so I wish to express my gratitude to various Members and the Chairman here.

Concerning the views presented by various Members today, I wish to give a summarized response.

First of all, Mr IP Kwok-him, as the Chairman of the Subcommittee, pointed out specifically that the demarcation exercise this year had been deferred for several months. Deputy President, the background is that in the first half of 2010, the Government had to deal with the amendment proposals for the Chief Executive Election and the Legislative Council Election in 2012 and the role played by the District Councils (DCs), in particular, elected DC members, in the 2012 constitutional reform package is particularly important and extremely crucial. In the fifth Legislative Council Election, the arrangement of "one person, two votes" will be introduced and the five new DC functional constituency (FC) seats will be returned by some 3.2 million voters. Therefore, the Government had to pass the package of proposals late last June first, then wait for the formation of a clearer picture of the overall situation before proposing, as the next level, how many elected seats there will be in the DC Election to be held in November 2011.

Subsequently, the Government proposed expeditiously to the Legislative Council last July that the present 405 elected seats be increased to 412 in view of the population increases in various constituencies and enacted legislation expeditiously in the fourth quarter of 2010 to put in place the relevant subsidiary legislation. For this reason, this is a "once-in-two-decades" arrangement because it is only once in every two decades that the DC Election and the Legislative Council Election, which are both held once every four years, will almost coincide with the Chief Executive Election, which is held once every five years, such that four elections will be held in close succession within two years. It is by dint of such once-in-two-decade coincidence that the deliberations of

these constitutional issues overlap with one another, so I fully understand that Members are very concerned about the reasons for the slight delay in the demarcation exercise for the DC Election this year.

The second area that I wish to talk about is that when the EAC was formulating its demarcation recommendations, it had complied fully with the principle under the EAC Ordinance, that the population quota in each constituency must not fall outside the $\pm 25\%$ deviation limits. The EAC Ordinance also provides that the EAC shall consider the grounds of community identities, local ties and/or physical features before discharging its duties in strict accordance with the requirements on population quota.

Mr IP Kwok-him also mentioned specifically that some Members as well as other members of the public had queried whether or not the present arrangement of having about 17 000 people return one seat under the "single seat, single vote" system needed to be changed. Deputy President, we have also discussed this issue in the legislature in the past. I have told Members in most categorical terms that basically, the SAR Government does not intend to change the "single seat, single vote" arrangement for DC Elections. We believe that it is more appropriate for DC members and prospective candidates to do their work in a smaller area by establishing close ties with local communities and residents and it is not necessary for us to merge several areas together to hold an election under such systems as the proportional representation system.

Third, I wish to explain to Members again that although our progress in making legislative proposals last year was slightly slow, the EAC published its consultation report on 3 December last year for the purpose of conducting a public consultation for one month. Therefore, all people intending to take part in the DC Election in November 2011, be they incumbent members or prospective candidates in the future election, all know by now how the delineation of these 412 constituencies will be like in general. If they want to do their work in these constituencies, they already have a basis to do so. The EAC has received a total of 472 written representations and 45 oral representations and considered them in full according to the statutory criteria and proven working principles.

Fourth, I wish to talk about the role of our District Officers, as raised specifically by Ms Emily LAU. In fact, in considering representations relating to community identities and local ties, it is really necessary for the EAC to

consult the District Officers of the Home Affairs Department, so that the EAC can understand the local factors mentioned in the relevant representations more fully, since the District Officers of various districts are all well-versed in the situation in their districts and can offer advice on such matters as community identities and local ties for reference of the EAC. However, after receiving the representations, the EAC will only consider such advice independently in accordance with the law.

I will respond to the question asked by Mr LEE Wing-tat earlier on concerning what advice District Officers had tended the EAC. If the delineation of individual constituencies has to be adjusted, the EAC will set out the grounds in detail in its report, so no matter if such views are expressed by District Officers, political parties and groupings or other groups and people, it can be seen clearly what aspects have been taken into the consideration.

Fifth, I have to respond to matters concerning the delineation of individual constituencies raised specifically by Mr Frederick FUNG. An overall principle of the EAC is to consider each representation received by it carefully and no matter if it is accepted or rejected, the EAC will set out the reasons for the decision in its report on recommended constituency boundaries. Mr Frederick FUNG mentioned the Sham Shui Po District in particular. I can tell Members that no matter which local community, if there is a need to re-delineate the boundary of a constituency, such an exercise must be tailored to local conditions. If a constituency has to be assigned to another constituency, the two constituencies must be connected to one another and there must be a relationship between the two. In fact, since the residents of So Uk Estate are moving into Un Chau Estate in succession under the Government's rehousing arrangement, the residents of So Uk Estate and Un Chau Estate share common concerns and the relationship between the two is even closer than that with Lei Cheung Uk Estate. For this reason, it is appropriate to assign So Uk Estate and Un Chau Estate to the same constituency (known as the F16 constituency).

If we reassign Camellia House in So Uk Estate, which I believe was the building or premises referred to specifically by Mr Frederick FUNG, from F17 constituency to F16 constituency, this will increase the population in F16 constituency by 16% after adjustment, from 21 814 people to more than the upper deviation limit permitted by the law, whereas the population in F17 constituency will decrease to 12 548 people after adjustment, that is, to below the lower

deviation limit permitted by the law, or -27.39%. Certainly, it is permissible for the population in some local communities to exceed the $\pm 25\%$ deviation limit, for example, when the populations of some communities on outlying islands are very small, but the EAC will avoid such instances by all means.

Therefore, in relation to this issue, I will also respond to the leaders of several political parties, including Mr TAM Yiu-chung and Mr WONG Kwok-kin. When we carry out the demarcation exercise, we do not differentiate between the representations made by people of various political parties and groupings and all relevant representations received are considered independently and objectively.

Today, I could hear various Members from the major political parties express their slight disagreement or dissatisfaction with the demarcation recommendations, and this precisely attests to the fact that our demarcation exercise was carried out independently, thus arousing concerns and views among all Members. This is quite natural.

Each time when a demarcation exercise is carried out, it is inevitable that some changes will be made. First, there are population increases and movements of population; second, the Government will increase the number of seats in response to population increases, so that people aspiring to a political career can have more opportunities to run in elections. For this reason, the demarcation exercise carried out once every four years is indispensable. However, over the years, the EAC has established its independent status and reputation in carrying out the demarcation exercise, so I hope Members will not cast any doubts on it lightly.

In sum, the whole demarcation exercise was carried out in accordance with the specific requirements of the law and in high transparency. The public can also continue to make written or oral representations to the EAC and the working principles of the EAC even explicitly state that political factors should not be taken into consideration. Therefore, there is no need for Members to worry about this aspect and I believe the EAC will continue to ensure that this principle remains an important cornerstone of its work.

Deputy President, after the Legislative Council has completed this negative vetting procedure today, the Order will come into operation next Monday

(23 May). This will enable people intending to run in the election to make further preparations in contesting the 412 seats in the District Councils. Meanwhile, the Government will continue to make preparations for the DC Election actively and ensure that it will be conducted in a fair, open and impartial manner.

Deputy President, I so submit.

DEPUTY PRESIDENT (in Cantonese): We now proceed to the second session, that is, to debate the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011.

Members who wish to speak on this item of subsidiary legislation will please press the "Request to speak" button.

MR TAM YIU-CHUNG (in Cantonese): Deputy President, in my capacity as Chairman of the Subcommittee, I would like to speak on the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 (Amendment Notice) first.

The Amendment Notice seeks to specify trawling devices as among the types of apparatus set out in the Fisheries Protection Regulations in order to ban the use of such devices in fishing activities carried out in Hong Kong waters.

The Subcommittee has scrutinized in detail the provisions of the Amendment Notice and studied the proposals on paying ex-gratia allowance to trawler owners affected by the proposed trawl ban and one-off grants to local deckhands, the voluntary trawler buyout arrangement and the provision of other assistance to the fisheries trade.

Members of the Subcommittee have raised a number of concerns, especially the criteria for calculating the ex-gratia allowance granted to affected fishermen and the buyout price proposed by the Government for individual fishing vessels and the amount of the one-off grants for local deckhands.

Having regard to members' concerns and after consulting the fisheries sector, the Administration proposes to raise the multiplier of the ex-gratia allowance formula from seven years to 11 years' notional fish catch value in calculating ex-gratia allowance for approximately 400 inshore trawler owners affected by the trawl ban. The total amount of ex-gratia allowance will be fully disbursed to, and apportioned amongst, the successful applicants in accordance with the decisions of an inter-departmental working group (the Working Group) established for the trawl ban exercise. The ex-gratia allowance payable to individual trawler owners will depend on the number of successful applications as well as other apportionment criteria. As for about 700 larger trawlers generally do not operate in Hong Kong waters, the Administration proposes that a lump sum ex-gratia allowance of \$150,000 be given in respect of each larger trawler. Some members have requested the Administration to increase the amount of the ex-gratia allowance.

Members of the Subcommittee have noted the Administration's proposal of offering a one-off grant of \$34,000 to each affected local deckhand, which is equivalent to about three months of the average salary of a worker. The Administration has estimated that about 1 000 local deckhands will be eligible for the one-off grant.

As regards the voluntary buyout scheme to purchase the trawler vessels, members have noted that the buyout price of an individual vessel will be the estimated value to be determined by the Working Group and will vary according to the type, length, age and equipment/gear of the trawler vessels. The Working Group will also make reference to the valuation provided by an independent marine surveyor as necessary.

Some members have expressed great concern about the Administration's failure to propose offering ex-gratia allowance or grants to the related trades, such as fish collectors, to help them modify their vessels or equipment to cater for the change of business model. These members have requested the Administration to consider the payment of ex-gratia allowance to the related trades.

Lastly, members have called upon the Administration to provide adequate support to the affected trawler fishermen for switching to other sustainable fisheries operations.

Next I would like to express my personal views.

I was deeply impressed when I joined a trawler, also known as a hang trawler, years ago on sail because I wanted to experience whether the moratorium, which was just over, could have any effect. First of all, this kind of trawler used a very large fishing net. After some dragging, the net would be tightened up in the shape of a bag and then pulled from the sea. Thanks to the two-month moratorium, the catch that evening was pretty good. The vessel was not only the place where its owner and his family members lived, but it was also their fishing tool. We could see that they toiled all through the night to make a living. However, we also understand that should trawlers of this kind continue with their fishing activities month after month and year after year, all fish in the ocean, big or small, may eventually be captured. Should this continue, the catch will only continue to dwindle. Hence, we understand that there is a practical need for the Government to propose the imposition of a trawl ban late next year.

However, a trawl ban will directly affect the livelihood of fishermen. In particular, those who cannot go fishing in the open sea or ocean might have to quit the trade forever. This is very sad for fishermen who have made the sea their home for generations. Before the implementation of the ban, we think the Government must discuss the compensation initiatives with the fishermen concerned. To date, the fishermen still have many demands and queries as well as a lot of dissenting views on the compensation package proposed by the Government. I think their views can mainly be grouped under three categories.

The first category of views concerns the definition of the operation areas of fishing vessels. Currently, there are two types of *ex gratia* allowance, one for inshore trawlers and another for large trawlers, as the former operate in Hong Kong waters and the latter might not operate entirely in Hong Kong waters. Therefore, there is a difference in compensation, which we consider quite big, for these vessels. This way of delineation, however, must be supported by a well-defined data or registration system. Otherwise, it is difficult to define the operation area for a certain trawler. According to some fishermen groups, except for some fishing vessels which, as everyone knows, cannot operate beyond Hong Kong waters given their performance, it is simply impossible to strictly distinguish other fishing vessels. Therefore, in vetting and approving the applications, the Government must adequately and objectively consider the

information and proof of every case. To do so, careful and cautious verification is warranted.

The second category of views concerns the amount of compensation. We welcome the Government raising the total amount of ex gratia allowance to 11 years' notional fish catch value. Nevertheless, some fishermen groups have queried the use of data collected 20 years ago (from 1989 to 1991) as the criteria for calculation, because the time gap is too long. According to the Government's calculation, the fish catch value during this period was approximately 1.63 times, though the accuracy of this value has been called into question. Hence, it is proposed that the Government should use recent information as the benchmark, such as the figures of 1999 to 2000, as the amount of compensation computed will on the contrary be reduced because of deterioration in the ocean ecology. I think the Government should disclose in detail the relevant information, so that people's queries can be allayed. As regards the ex gratia allowance payable to different fishing vessels, some fishermen have related the message that the amount of compensation for pair trawlers and stern trawlers are obviously lower. This is despite the fact that, like hang trawlers, pair trawlers measure at least 20 m long and can operate only inshore. However, the difference in the amounts of ex gratia allowance is two to three times. It is the same case for the voluntary buyout scheme. It is therefore necessary for the Government to further break down the compensation criteria. In addition, in processing the applications, the Working Group should give adequate consideration to the special circumstances and justifications set out by the applicants as well as reinforcing and giving effect to the mechanism, so as to ensure that every affected fisherman receives fair treatment.

(THE PRESIDENT resumed the Chair)

The third category of views concerns ways to help the related trades and assist the affected fishermen in transformation and making a living. Other vessels in related trades, such as fish collectors and ice suppliers, are excluded from this integrated compensation package. Despite the Government's repeated emphasis that the support service provided in the future will be enhanced as a result of the trawl ban in Hong Kong waters, the trade remains not convinced. Hence, I hope the Government can consider this in detail again. As for the

livelihood of the fishermen, there is an even greater need for the Government to enhance measures in such aspects as assisting them in continuing to work, relaxing loans, and so on, to enable them to live with dignity.

As the Government plans to apply to the Finance Committee for funding for ex-gratia allowance in July before the Council rises, I hope it can engage in frank discussions with fishermen groups in this couple of months for improvements to the details of the compensation package. As a trawl ban is expected to be implemented late next year at the soonest, the compensation work must be completed promptly. I so submit. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, in the policy address announced last year, the Chief Executive proposed banning trawling in Hong Kong waters through legislation in order to restore our damaged seabed and marine resources as early as possible. Environmental protection is indeed an urgent question. With constant damage done to nature and a wide range of environmental problems facing us, such as climate change, ecological pollution, and so on, I am afraid remedial actions can hardly be taken in the future should we fail to attach more importance to these matters. While we welcome the Government's proposal to ban trawling in Hong Kong waters through legislation and protect the marine ecology, the fishermen and deckhands thus affected should not be neglected.

Under a voluntary surrender scheme launched in the past by the Government to phase out the poultry trade, live poultry retailers, wholesalers, transport operators and farmers as well as workers of the related trades were all affected. At that time, the Government launched an ex gratia allowance and one-off grant scheme to help licence holders and workers tide over their difficulties. In this exercise, the livelihood of a number of fishermen and deckhands will also be seriously affected by the Government's policy. Hence, the Government is obliged to resolve their difficulties. In this connection, in a number of meetings held by the Panel on Food Safety and Environmental Hygiene and the relevant Subcommittee on Subsidiary Legislation, I proposed that the Government make every effort to help the fishermen and deckhands resolve the difficulties brought about by the Government's policy.

President, in order to properly resolve the difficulties confronting the fishermen and deckhands, the Government must, as I have pointed out repeatedly, have a long-term and comprehensive agriculture and fisheries policy. In my opinion, the Government must adopt a comprehensive and proactive agriculture and fisheries policy to proactively assist the fisheries industry in restructuring and development, rather than taking negative measures to phase out fishing vessels which are still in operation because of a momentary need, thinking that the problem can be considered resolved by merely buying out the vessels. In my opinion, the Government should tilt its policy particularly Hong Kong's most traditional fisheries industry, which is soundly based and has made the greatest contribution to Hong Kong's initial development, with a view to offering assistance to the industry to enable its sustainable development.

President, in order to proactively assist the fisheries industry, there must be a policy for offering practical assistance. To achieve this goal, the Government cannot rely merely on a light-handed approach in handling compensation. In my opinion, the Government can demonstrate in three aspects whether it is proactively assisting Hong Kong's fisheries industry, particularly when the industry currently faces such difficulties. In the first aspect, I hope the Government can consider our proposal of providing interest-free loans rather than adopting a low-interest policy for the Fisheries Development Loan Fund (the Fund). In responding to our questions in the meeting yesterday, the Under Secretary pointed out that the 2.5% interest rate currently charged by the Government was already very low. In fact, I hope the Government can take one more step in this regard. Given that Hong Kong's fisheries industry is such a traditional industry that has made good contribution to the territory, can the Government make a more vigorous and proactive effort by providing interest-free loans to demonstrate its proactive attitude in offering assistance to Hong Kong's fisheries industry?

Let me cite the reform and opening up of the Mainland over the past decades as an example. As the country has become increasingly rich, it has adopted a number of taxation measures to relieve farmers of their burdens. Bearing in mind this perfectly clear example, I think the SAR Government is fully capable of doing so, given its rich financial strength now. Moreover, the fishermen and deckhands, who are being forced to undergo transformation, currently face a lot of difficulties and risks in transformation as well as uncertainties. They have no idea what losses they will incur. Hence, I hope

the Government can stop being calculating about the Fund. What is the point of being calculating about the interest rate, which is a mere 2.5%? Furthermore, they must repay the principal borrowed. This is why I hope the Government can be more generous. Today, the Secretary is here listening to our speeches. I very much hope that he can give active consideration to our views and heed public opinion by allowing fishermen to apply for interest-free loans with a view to demonstrating the Government's proactive support for the development of Hong Kong's fisheries industry.

In the second aspect, President, I think that the Government must proactively assist the affected fishermen and deckhands to operate in Mainland waters. I now quote a written account provided by the Government: "In the discussions held by panels and subcommittees, the authorities have also mentioned that the relevant liaison work has already commenced with a view to collecting the required information." This account, which is similar to a press release, has only reflected the current plights and circumstances of Hong Kong fishermen. In fact, it seems to me that this account can hardly demonstrate that the Government is actively assisting the affected fishermen and deckhands in Hong Kong to enable them to continue with their operations and development beyond Hong Kong waters in Mainland waters. Because I can really not see from these few paragraphs what the Government has fought for them.

Although we can note from this document that Mrs Marion LAI has led relevant government officials to exchange views with the Bureau of Fishery Administration and Fishing Port Superintendence in the South China Sea Region of the Ministry of Agriculture, should not more concrete assistance be rendered to Hong Kong fishermen in fighting for the following items to let us see that the Government can really seek a concrete reply from the Mainland regarding its support? For instance, are there any waters outside Hong Kong where Kong fishermen are allowed to engage in fishing operations? Are there any fish farms within which Hong Kong's licensed fishermen can operate? Which types of vessels are allowed to operate in these areas? What about their fishing period? So far, we still have not seen any detailed account from the Government on detailed questions like these.

For these reasons, I would like to appeal to the SAR Government that the Twelveth Five-Year Plan, which is being proposed by the Mainland, happens to

provide an opportunity for integration between Hong Kong and the Mainland to resolve problems with the sustainable development of the fisheries industry in Hong Kong and the way out for fishermen. This also gives the fisheries industry in Hong Kong the best opportunity of continued development. Hence, I hope the SAR Government can further follow up this issue proactively with the Mainland to secure its vigorous support and seek new areas of development in respect of resolving problems pertaining to the transformation of fishermen and their way out.

In the third aspect, I hope the Government can provide proactive employment assistance for more than 1 000 local deckhands. As a Member representing the labour sector, I am very much concerned about the future way out for the deckhands. Although the Government has pointed out in the document currently submitted that a one-off grant of \$34,000 will be provided, which is equivalent to three months of the average salary of a worker, to each deckhand, President, Hong Kong people, under the present living conditions, how long can a person live a hand-to-mouth existence with \$34,000? What can he do after three months? Can he really find a job? What can he do if there is no fish for him to catch, no vessel for him to board, and no work for him to do? Hence, resolving the problems with the employment prospects for more than 1 000 local deckhands to prevent them from being thrown out of work is more important than any other problems.

I think deckhands working at sea find it more difficult to seek employment than workers working on land because the former are specialized in fishing and working on a fishing vessel. It is even more difficult for them to seek employment on land if they cannot work at sea again in the future. Despite its pledge that employment training will be provided, I hope the Government can provide "through train" employment training to be followed by a detailed follow-up programme, rather than implementing employment training programmes in a rudimentary manner. I think the training provided by the Government in the past to tackle the unemployment problem faced by employees during the outbreak of avian flu to let them learn ironing, cooking, and so on, was superfluous. Likewise, they did not succeed in transformation eventually. This is why I hope the Government can take concrete actions to provide employment matching for the 1 000 deckhands. Can the Government do so? I hope it can think about this.

The Government can consider, for instance, out of these 1 000 deckhands, how many of them can receive assistance to continue to engage in fishing, how many can follow fishing vessels to undergo transformation to other trades such as tourism, and how many of them are suitable to seek employment on land. At present, for instance, the construction industry is experiencing a serious shortage of manpower, and the mechanical repairs and maintenance trade is also experiencing a considerable shortage of manpower, too. The Government can help these deckhands in job matching by really deploying dedicated staff to follow up one by one and in a detailed manner the cases of these 1 000 deckhands who are going to lose their jobs. Only in doing so will I consider that the Government has really fulfilled its responsibility.

If the numerous options mentioned by me just now are not viable, can the Government enable the deckhands to start up some small businesses? Anyway, 16% of the shops in our markets are currently vacant. So, can arrangements be made for the deckhands to carry on small businesses in the markets managed by the Government? Currently, there are even some small businesses selling seafood off Sai Kung Pier, can the Government also assist the deckhands in operating this kind of small business? As these 1 000 fishermen have already made sacrifices and paid a high price for the long-term development of the fisheries industry in Hong Kong and improving our environment, the Government has the moral obligation to help them tide over their difficulties in seeking employment and making a living.

I hope the Government can listen to my experiences in the three aspects and put its heart into following up the cases in future. Thank you, President. I am looking forward to hearing good news from the Government early.

MR WONG YUNG-KAN (in Cantonese): President, since the Chief Executive announced in the Policy Address in October last year the plan to ban trawling in Hong Kong waters, various organizations of the industry and I have been visiting the local communities over the past half year or more to consult the views of fishermen's leaders in various districts. During the Chinese New Year in recent years, various trade organizations and I visited almost all the places where fishing vessels were anchored, including Tai O, Cheung Chau, Tuen Mun and even Tai Po, Sai Kung, Aberdeen, Shau Kei Wan, and so on. In some of these places

there was only a very small number of fishing vessels or two shrimp trawlers. In spite of this, we boarded the vessels and talked with the fishermen to gain an understanding of their situation.

According to the views conveyed to us by the fishermen I am very grateful to Secretary Dr York CHOW and the Under Secretary for joining me in the beginning of this year to experience the fishermen's living mentioned by Mr TAM Yiu-chung earlier on. Unlike Mr TAM Yiu-chung who spent the whole night fishing in the sea with the fishermen and me, the Secretary certainly could not stay on the vessel throughout the night. The Secretary returned after inspecting the area of operation of fishermen in the Tolo Harbour in Tai Po. He saw that it is not easy at all for fishermen to make a living in the waters in the Tolo Harbour. Their living is relatively difficult.

Therefore, after this personal experience, the Secretary increased the compensation from \$1 billion under the original proposal to over \$1.7 billion. I believe the Secretary proposed to increase the amount of compensation because he has personally seen the living of fishermen and listened to their views. Having said that, even though he did listen to their views and witness their living, it does not mean that the problem can be resolved.

Since the Government announced the compensation package in early May, there has been considerable feedback in the industry and there have also been different views. Some fishermen told me that the compensation package proposed by the Government seemed to be unfair. In this connection, let me say a few words in all fairness here. Under the original proposal, no compensation would be made to trawlers engaging in operation beyond Hong Kong waters. Not a penny would be given to them in compensation. But after the industry had reflected their views to the Government, the Government proposed to provide them with a compensation of \$150,000. This amount of compensation is certainly not enough, but this change goes to show that the Government has heeded the views of fishermen.

That said, while the Government has heeded the views of fishermen, it has turned a deaf ear to the views of some related trades. The authorities have only listened to fishermen's views on Some job types, such as fish collectors, may find it impossible to continue with their operation in future. If the Government is truly committed to helping them, it should inject funds for the

development of the fisheries industry to take forward the development of the industry, and only in this way can the problem be resolved. Otherwise, some of the fish collectors that I have just mentioned may find continued operation impossible. It takes more than just words to resolve the problem. I, therefore, hope that the Government can consider the views raised by the related trades.

For some related trades — let me say this once again — such as the 20-odd vessel repair and maintenance docks in Tuen Mun, it would be impossible for them to switch to another type of work. I can say that after those 100-odd fishing vessels ceased their operation, these 20-odd vessel repair and maintenance docks would almost have to wind up right away. But the Government said that this would not be taken into consideration.

Moreover, there used to be many ice-maker vessels in the waters in all parts of the territory (including Shau Kei Wan, Aberdeen and Tuen Mun), and only one such vessel is left now. The owner is very miserable. He had thought about selling the ice-maker vessel in the waters of Shau Kei Wan and then investing the funds on the ice-maker vessel operating off the waters of Tuen Mun (he has already invested millions of dollars on this vessel), hoping to sustain the operation of the ice-maker vessel in Tuen Mun. Faced with the present situation, all he can say is, "Everything is over!" The trade has, therefore, repeatedly asked me to put forward proposals to the Government in the hope that the Government can appreciate the situation of the trade and include it as a target of compensation.

All these show that the fisheries industry has all along hoped to enhance communication with the Government, with a view to making greater efforts to maintain the development of the fisheries industry. Now that the local fisheries industry is faced with such a situation today, and frankly speaking (I do not usually say this), the former Hong Kong-British Government is the chief culprit for that. Why did I say that the Hong Kong-British Government is the chief culprit? Back in those years, hook and lining was the major fishing method whereas trawling was only secondary. At that time, few fishing vessels capture shrimps by way of trawling. However, the then Government had never assisted the fisheries industry to introduce changes in the development of the industry. On the contrary, it vigorously encouraged the development of trawling. The then Government should be held responsible for these adverse consequences today. So, I do not think it is a big deal to compensate the fishermen in money.

The most important thing is whether or not this can resolve the problem and meet the demands of the trades.

With regard to the Amendment Notice tabled by the Government today, I think Members will not vote against it, and we will only put forward supplementary views. Then, is it impossible for the fisheries industry to achieve development?

Taking an overview of other parts of the world, we can see that the government often takes the lead to decide how certain industries can be preserved, especially the primary industry. As we can see, insofar as the primary industry is concerned, even China has invested huge sums of money on the development of the agriculture and fisheries industry. Why? The purpose is to provide locally-produced food for consumption by the people. But we have nevertheless attached so little importance to our fisheries products and even sought to "do away with" the fisheries industry and put an end to it by hook and by crook. This is most unfair to the industry. Members of the industry do not have much knowledge or a high level of education, and to put it bluntly Back in the 1980s when many fishermen switched to other fields, they managed to take up only three kinds of job: First, coolies; second, transportation workers responsible for handling cargoes; or third, construction workers. Many of them managed to land a job back then because infrastructure development was thriving during that period.

However, Members can take a look at the infrastructure projects nowadays. What can happen now is that an appeal lodged by certain people or an environmental impact assessment report may cause more than 70 projects to come to a halt. What jobs are there for fishermen to take up? I think their situation will become all the more difficult, for they do not even have an opportunity to work. So, I hope that the Government, as Mr WONG Kwok-hing said, can pay attention to how they can be placed in employment or how to provide room for the survival and development of this industry.

In this regard, the industry, or more precisely, the trade organizations and I have made 27 proposals to the Government, a number of which have been accepted by the Government, including raising the amount of compensation, providing additional compensation, and accepting fishing vessels as collateral against loans. The Government has unprecedentedly undertaken to accept

fishing vessels as collateral against loans taken out for building new fishing vessels in future.

Why did the industry put forward this proposal? The reason is that while the Government allocated \$250 million for setting up a loan fund many years ago, the response has remained poor. It is because first, the fishermen are worried that they would be pressed by the Government to repay the loans, and second, they are worried that in case their fishing vessel is damaged, say, after an incident occurred to the vessel, they would be driven to become homeless by the Government, losing even the dwelling place. While the Government eventually said that public rental housing would be provided to them, this is all that has been done for them. I hope the Government can solve this problem by all means.

Certainly, there is also the measure of offering a grant which is equivalent to three months of the average salary of a worker to each eligible local deckhand. But as fishermen nowadays are different from We have recently hired a group of deckhands who come from the same family. The Government must tell us whether the three or four deckhands are eligible for applying for this grant of \$34,000, or else they will not have any idea about it.

Some people from the Government have told them that they have to make contributions to the Mandatory Provident Fund schemes and reminded them to provide proof of their contributions. They even fare worse than the self-employed, so how can they provide proof of contributions? They simply cannot provide such proof.

Yesterday, a fisherman in Tai Po said to me, "I have no asset. I spend some \$10,000 or a few thousand dollars supporting the living of my family, so how can I provide proof of contributions? How possibly will there be such proof?" It is impossible for them provide such proof. In this connection, should the Government provide a clear definition in this respect? I also hope that the Government can clearly tell the industry how they can apply for the grant. This is also an issue which warrants our discussion.

I hope the Government can make an undertaking in future to carry out work in other aspects apart from providing loans for the future development of the fisheries industry. It is because, as the industry has told the Government, the

biggest difficulty now is that for fishing vessels operating beyond Hong Kong waters, a vessel with an engine power of 600 horsepower will be taken as a vessel with an engine power of 700 horsepower or 800 horsepower according to the Mainland standard, and if the engine power of the vessel has increased, or if the vessel licence number has changed, the Mainland authorities will not issue a fishing permit to the vessel.

I have recently discussed this stipulation with the Mainland authorities when I attended a meeting in Beijing, and the fisheries authorities on the Mainland said that they would take this into consideration. But as I said to the Government, Secretary Dr York CHOW may have to go to Beijing to discuss ways to address this problem with the Bureau of Fisheries of the Ministry of Agriculture and the relevant authorities. Otherwise, it will be difficult for the Secretary to resolve this problem. It has been the established policy of the State to avoid an excessive number of fishing vessels and so, control is imposed on fishing vessels. But the case of Hong Kong fishermen is different because Hong Kong is a rather special place and therefore, the fishermen hope that when they operate beyond Hong Kong waters, they can be provided with government assistance in obtaining the fishing permit. I believe this is the major demand of Hong Kong fishermen.

On the other hand, the recovery of the licences of trawlers may cause an impact on the fish culture industry. Local fish farmers are accustomed to feeding their fish with "trash fish". When trawlers are eliminated in future, fishermen will not be able to collect "trash fish". In that case, what can be used by fish farmers as the fish feed? The Government must consider this problem. As the Government knows, there is now a large quantity of food waste. Can consideration be given to studying the use of food waste or other stuff as fish feed?

I have recently found that we have seldom paid attention to a kind of waste. Some fish ball manufacturers have recently contacted the fishermen about giving fish heads and fish bones (the parts to be disposed of) to the fishermen, or discussing with fishermen on selling these unwanted parts to them at low prices as fish feed. The fishermen have gladly accepted this proposal. I think this is a feasible option.

Moreover, can the Government consider improving the fish feed? The fish feed sold to fishermen wholesale by government contractors is very expensive and the fishermen cannot afford it. Can the Government do more in this respect to help the fishermen? This is one of the demands put up by our industry.

The industry has been telling the Government that from past experiences, nothing can be resolved every time after much arguing between the industry and the Fishermen Claims Appeal Board (the Appeal Board), because the Appeal Board is composed of laymen without any member of the industry. Apart from not having any member of the industry in its composition, the Appeal Board may not necessarily listen to views. They said that they are told what to do by government departments and that they do what the Government asks them to do. This will be a big problem when an appeal is lodged. I hope that the Government can reconsider broadening the work of the Appeal Board.

Lastly, I hope the Government can listen more to the views of the industry. As Mr TAM Yiu-chung said, there are many views suggesting the Government to incorporate various trades and industries as well as people related to the fisheries industry into the scope of compensation, and calling for changes in the provision of loans and options of compensation.

Thank you, President.

MR TOMMY CHEUNG (in Cantonese): President, the content of the Amendment Notice is, in fact, very simple. If this Council does not raise any objection (as no one will be raising any objection today), all trawling activities in Hong Kong waters will be banned with effect from 31 December 2012.

From the perspective of environmental protection, I see no reason to object this. Restaurant business may be affected as a result of a lesser supply of low-price fishes, but there are many reasons that have affected the marine ecological system in Hong Kong waters and we should not put all the blame on trawling capture. Undeniably, the trawling activities are by nature quite devastating to the seabed, leading to a constant decrease in species and population of marine life. In order to maintain the long-term healthy development of our marine ecosystem and fisheries industry, we have no choice but to pass the Amendment Notice to prohibit trawling capture in Hong Kong waters.

However, the authorities are responsible for making reasonable compensations to members of the industry whose livelihood is adversely affected.

There are 60 of us. As I often say, what I am most worried about is that most of us would indicate our support for certain bills or practices because the Administration will always hide the devil in the details. Therefore, I have been asking the Administration to come up with a compensation package prior to passing any Amendment Notice to impose, for instance, a trawl ban with effect from 31 December 2012. Here is the dilemma which should be avoided. If the Amendment Notice is passed while the funding is not approved, the repercussions will be huge, as the majority of the industry operators are unable to obtain the \$1.7 billion grants. But if we approve the funding while the Administration is unwilling to pay, then some industry operators will be unable to get the compensation.

After consulting the industry, the Administration has in fact made a few improvements to the original compensation package by increasing the ex gratia allowance for inshore trawlers in addition to granting another one-off ex gratia allowance to the larger trawlers operating in South China Sea. There are still many outstanding issues. The Administration claimed that the cessation of operations of those 400 inshore trawlers would not affect other related trades because they could either shift to businesses other than trawling, or continue to provide services for offshore trawlers. However, upon service suspension of these 400 vessels, the businesses relating to fish collection, machinery repair and supply of ice to those 400 vessels would be lost altogether. Unbelievably, the Administration said that their businesses would increase rather than decrease. Anyone who has ever engaged in any business operation knows that this is far from the fact.

Take fish collectors as an example. I do not rule out some large fish collectors being able to sail to international waters to collect fish. But I have been told by the industry that those several dozen small fish collectors of 30 ft to 50 ft in length basically do not have the sufficient horsepower to sail to the open seas. The Administration's claim that they are capable of shifting to the business of collecting fish from offshore trawlers is even far-fetched. Once the trawling capture fleet goes out of business, those people living from hand to mouth will become unemployed.

Currently, there are approximately 30 self-employed operators engaging in the repair and maintenance of fishing boat machinery. They are also very worried. Once Hong Kong's trawling capture industry goes pelagic, most of the trawlers will be stationed in South China Sea. When repair service is needed, they will naturally look for the nearest help from the Mainland counterparts. As their wages are much cheaper, their overheads will also be comparatively lower. These self-employed operators in Hong Kong simply cannot compete with them. Within a year and a half, these operators will "die a natural death" like our local trawling capture industry.

President, the agriculture and fisheries industry is a very professional industry and changing jobs is not an easy thing at all. There is an old saying that "you should not engage in something you are not conversant with". Even though they are willing to try to make a change and receive training in order to prepare themselves for other job types in the fisheries industry, they may still fail to find a job in the end, as the development potential of the fisheries industry in Hong Kong waters is very limited.

The current situation is somewhat similar to the Administration's implementation of the voluntary surrender scheme for live poultry trade in 2005. Poultry transporters were not given compensation at that time because the Administration insisted that they could convert their vehicles for other business operations. After I had gone in hot pursuit together with colleagues in the Legislative Council, the Administration finally agreed to provide loans at \$50,000 as an incentive for them to shift to other businesses. The business operators subsequently declined the offer. Finally in 2008, the Administration had to "buy out" their vehicle licenses at the cost of \$150,000 to \$200,000 each. However, the "buy-out" scheme was limited to live poultry transporters who had registered at the wholesale market.

The day before yesterday, a man over 60 years of age in desperation attempted suicide by leaping off the Ting Kau Bridge. He was a day-old chicken transporter. Not qualified for any compensation under the two voluntary surrender schemes for the live poultry trade, he had been living in straitened circumstances.

We have to understand that the majority of those engaging in the fisheries industry followed their parents and joined the trade when they were very young. They either received very little education or are illiterate. They are no longer

young people now and they have to rely on the business to feed their multi-generational families. If the Administration does not impose any trawling ban, they will not be affected because they can earn a nice income and lead a stable life. Now, as the Administration has caused them to lose their lifelong career and face a bleak prospect, how can the Administration ignore it and say "they are not expected to be affected"?

Besides, some people engaged in the trawling business have also told me that they were still very dissatisfied and skeptical of the principle of calculating the ex gratia allowance and the mechanism for ascertaining the eligibility criteria. Frankly speaking, it is natural for the parties who file for damages to make the highest possible claims. The formulation of a reasonable mechanism and criteria is of paramount importance. The Administration said that an inter-departmental working group comprising the Agriculture, Fisheries and Conservation Department and other relevant departments would be set up to formulate the eligibility criteria. A Fishermen Claims Appeal Board, comprising non-official members, would be set up where necessary. They are very much worried that the working group responsible for formulating these criteria does not have any representative from the industry, thus their voices and views will hardly be given full consideration. And it may easily create an unfair system that causes losses to them.

President, I am very eager to help this vulnerable group. I have thought of proposing an amendment to repeal the Amendment Notice in order to force the Administration to reach a consensus on the compensation package with the industry. Unfortunately, the Administration has secured the sufficient number of votes. It is meaningless for me to propose any amendment. I do not wish to give the environmental groups a wrong impression that I am indifferent to the sustainable development of Hong Kong's marine ecosystem either.

The Administration is going to apply for funding from this Council for the compensation package. I would like to remind the Administration that it is not free to do whatever it pleases even though the Amendment Notice is passed. We could see that some Honourable colleagues at the meeting of Panel on Food Safety and Environmental Hygiene yesterday still raised their opinions about the compensation package. The Liberal Party and I also have some reservations about the package. Therefore, during the interim, the Administration should

proactively conduct an in-depth discussion with the industry participants affected so as to dispel their misgivings and worries.

I know that the Administration's compensation package has also reserved a certain amount of contingency fund. I would like to tell the Secretary that he should consider appropriating part of the fund for indemnifying, if necessary, those not belonging to the trawling community but are similarly affected, such as the fish collectors, fishing boat machinery repair service providers and ice suppliers. I have also discussed with them and learnt that they have actually kept their accounting on a yearly basis. In other words, their turnovers of the past are accounted for. So, when the surrender scheme begins next year, or maybe the year after next and they suffer from declining turnovers or have gone out of business, the Administration can make use of the fund to indemnify against their certified losses. I have reasons to believe that the Administration may not know how much they should be compensated or by what rate their turnovers will drop. But I am sure that those Honourable colleagues who attended the meeting yesterday will also agree that it is unimaginable to say that their business can only "go up without coming down".

Therefore, President, I hope that the Secretary can give more consideration to this aspect. I hope that he can give prior consideration to these related trades when applying for funding from the Finance Committee. As what Mr WONG Yung-kan said just now, I believe most or even all Honourable colleagues are hold that the Administration has to square up to the issue and compensate the trades affected.

President, I so submit.

MR ALBERT CHAN (in Cantonese): President, Hong Kong was originally a very beautiful fishing port with many good-natured fishermen making their living out of fishing, but economic development has turned this fishing port called Hong Kong into a real estate port, with almost 60% of its financial income or economic activities bearing relevance to real estate.

In fact, in the 1990s, that is, when the Government implemented the 10 core projects, fishermen already fell victim to economic development. Not only did the Government carry out reclamations in West Kowloon, Northern Lantau

and Chek Lap Kok, it also dredged sand and dumped sludge in the sea off Sai Kung and southern Lantau. The mud pit off southern Cheung Chau even made the sea throughout Hong Kong turbid, thus seriously affecting the livelihood of fishermen. The Government's supervision of the dumping vessels at that time was completely opaque and it was oblivious to the situation. Subsequently, fishermen informed the Government that after these dumping vessels had set sail from West Kowloon in the evening and before they had left the Victoria Harbour, they would have already begun to dump the sludge along the way illegally and as a result, toxic sludge and construction waste were scattered all over the bottom of the Victoria Harbour. These sludge and construction waste are still there and the Government has not yet dealt with them.

President, in raising these issues, I want to point out that for many years the Government has turned a blind eye to the hardships endured by fishermen policy-wise. The Agriculture, Fisheries and Conservation Department (AFCD) was formerly called the "漁農署" (Agriculture and Fisheries Department). In the 1990s, when fishermen staged petitions, they dubbed the Agriculture and Fisheries Department "愚聾署" (dumb and deaf department), since these two names have the same pronunciation, to satirize the former Agriculture and Fisheries Department for turning a deaf ear to the demands of fishermen as well as hinting that it was a department that "愚弄" (fooled) fishermen, the public and the Legislative Council. For many years, the financial hardships endured by fishermen in Hong Kong have been ignored by the senior level of the Government and the departments in charge are totally indifferent to them.

President, concerning the Amendment Notice proposed today, I will state clearly my position of supporting a ban on trawling. It is a common practice worldwide to ban inshore trawling and in fact, Hong Kong has lagged behind by two or three decades. In the 1990s, I urged the Government a number of times to impose a ban on trawling as soon as possible. Due to the delay in doing so, the amount of compensation has now reached astronomical figures. If the Government had imposed a ban on trawling in the mid-1990s, the amount of compensation would perhaps have been less than a tenth of the present amount. Now that the Government is going to impose a ban on trawling by fishermen, it must offer compensation to them.

President, I think it is not enough just to offer compensation. In fact, the Hong Kong Government should formulate a policy on agriculture and fishery at

an early date to put in place a comprehensive, strategic, forward-looking and planned arrangement. Many regions in the world have their own agricultural and fishery policies but in Hong Kong, such a policy seems to be indefinite and dispensable, such that farmers and fishermen are left to their own resources and there is no concern about their survival. This situation reflects the fact that the Government's policies have completely overlooked the traditional industries.

I remember that when the Government resumed the Yam O log pond in the 1990s, I said personally to Donald TSANG, who, if I remember it correctly, was the Financial Secretary at that time, that the timber trade had made great contribution to the Hong Kong economy for many years, so since the Government wanted to resume the log pond, it should find another site for the re-establishment of the timber trade. In reply, Donald TSANG said in a clear and forthright manner that after the demise of these sunset industries, other new industries would naturally emerge. My comment at that time was: What harm would it do to society if these industries were allowed to survive? The Government is duty-bound to preserve and protect some existing industries to enable their continued development and existence. It is fine for the Government to pursue new development but since the existing industries are not doing any harm, why not help them continue to develop? However, senior officials like to go after the new and forget about the old and all in all, whenever something is ostentatious, they would go after it, completely indifferent to the survival of the traditional industries.

Several years ago, I put forward a comprehensive proposal to Secretary Dr York CHOW concerning the withdrawal of pig farm licences. Now, pig farms are being closed down gradually. My proposal was divided into two parts. In the first part, I proposed that the Government withdraw pig farm licences. Pig farms were operated separately in the New Territories and they cause great environmental impacts. A lot of pig excrement entered streams and rivers, making the air in the surroundings very foul. Hundreds of thousands of residents in Tin Shui Wai and Yuen Long were affected by the foul smell every day and the Environmental Protection Department (EPD) also had to spend hundreds of millions of dollars on regulating these pig farms. At that time, I put forward an all-win proposal to the Secretary. Although the resumption of pig farms may cost some \$800 million or \$1 billion, the resources of the EPD could be saved, so the expenses could be recovered within a decade. As regards the second part, I proposed that the Government set up a centralized pig farming

centre even as it resumes pig farms to enable the pig farming industry in Hong Kong to continue with its operation. Moreover, it would be possible to dispose of pig excrement in a centralized way by using it for power generation and as organic fertilizer. In many cities or advanced areas overseas, such as Japan, the United States and Canada, a centralized mode of pig farming is adopted and in some places, pigs are even reared in high-rise buildings. However, Secretary Dr York CHOW only adopted the first part of my proposal but as regards the latter part, he was totally indifferent, so many pig farms in Hong Kong have moved to locations north of Guangdong to continue with their operation there, while the pig farming industry in Hong Kong has gone into a gradual decline.

President, I have raised this point because I want to remind the Secretary that the Hong Kong Government should not drive old industries in Hong Kong into demise, rather, it must facilitate the preservation and continual development of old industries. You cannot think that an industry no longer exists after driving it into demise. You must find ways to enable an industry to continue to exist to some extent.

Over the past decade or so, I have been urging the Government to formulate a clear policy on fishery. Even as the Government withdraws the trawling licences of fishermen, it should formulate a plan to enable fishermen to remain in the fishing industry. The Government can consider three areas. I wonder if Secretary Dr York CHOW is interested in listening to this or not. It seems that even as I am speaking to him, he is not interested in listening to me. This was also the case just now. When I discussed with him in the Ante-Chamber an incident that happened the day before, in which an old man had wanted to jump off from a bridge, he said as soon as he spoke that he had considered this matter three years ago. I told him that if he did not consider it further, I would surely hurl chicken droppings at him. This behaviour of his really makes me furious. Subsequently, I located Mr WONG Yung-kan and together with him, we had a discussion with the Secretary.

There are certainly reasons for the fury experienced by an ordinary member of the public because he felt that the Government's compensation was not right. As the Secretary, you have to address the anger and demands of the public. Of course, in many matters, you need the AFCD to give you advice or you make your own judgment. However, since you are a doctor, you may not be well-versed in the background of many industries. As a Secretary, you have to

listen to the demands of various parties carefully, then look at an issue from a human perspective.

You must not behave like Donald TSANG, who said that this industry could be sacrificed and be left for death, saying that in a capitalist society, only the fittest can survive. Fishermen have existed for some 100 to 200 years and we owe it to them to make Hong Kong, so why can you not help fishermen continue with their operation?

Therefore, there are three areas that the Government can consider. The first relates to offshore fishing. The Government should examine what policy can be introduced to provide assistance. In this regard, Hong Kong's competitiveness is relatively low because fuel cost and wages are high. The second area relates to fish farming. Apart from inshore fish farming, the Government should also study if deep-water fish farming can be developed. In many places, such as Norway and Scotland, deep-water fish farming is practised. Basically, the fish farming industry in Hong Kong has not seen any progress in five decades and all along, the mode of using rafts for fish farming has been adopted. Deep-water fish farming is a direction of long-term development that merits consideration. The AFCD should conduct more studies in this regard and explore how the development of deep-water fish farming can be promoted, so that fishermen in Hong Kong can have room for survival and development in this area. The third area relates to leisure fishery. President, when I proposed to the Government a decade ago that trawling be banned, I also proposed that the Government develop leisure fishery at the same time. In many advanced regions of the world, leisure fishery is a large industry that is most profitable.

The Government can issue leisure fishery licences to fishermen practising trawling to enable them to take visitors out to sea for angling in their fishing boats. While permits angling, the Government must also step up regulation in various aspects, including the number of fish caught. In many regions and countries, it is specified that each person can only catch one fish daily and the size and types of fish that can be caught are also specified. Moreover, the types of fish that can be caught in different seasons are also specified. If it happens to be the spawning season for certain species of fish, these types of fish cannot be caught. The Government should impose regulation in this area, so that leisure fishery can have the opportunity to develop.

At the same time, the Government should also deploy artificial reefs in Hong Kong waters. In this regard, the Government has the responsibility as well as the capability to do so. I remember that more than a decade ago, when Mr Gordon SIU was the Secretary for Economic Services, he undertook to do so and also carried out planning on the areas where artificial reefs were to be deployed. However, more than a decade has passed but there is still no sight of any artificial reefs in many areas designated for the deployment of artificial reefs. After the deployment of artificial reefs, the Government can specify that licensed fishermen can take visitors to certain spots for fishing. This measure can create job opportunities on the one hand and also provide more recreational places for the general public in Hong Kong to visit on the other, so that they can go to these spots for angling during holidays. This is actually a matter of overall development that requires planning and promotion by the Government. It is not possible for fishermen to accomplish this by themselves alone.

Some time ago, I went on a fishing expedition with the fishermen of Cheung Chau and we tried to angle in the fishing grounds of the past but in the end, we could not even catch one small fish the whole day. There are so many activities going on in the entire harbour and there are so many reclamation projects. In particular, after Penny's Bay was reclaimed, the local fish yield has been on the decrease.

According to the accounts of fishermen, Penny's Bay (that is, the site of the present Hong Kong Disneyland) used to be the biggest fish breeding ground in Hong Kong. The fish yield in Hong Kong mainly depended on this bay, into which fish swam to spawn and rest. However, after it had been reclaimed, the biggest and best fish breeding ground in Hong Kong was destroyed.

Over the years, the Government has continually damaged and destroyed many things, thus making it impossible for fishermen to make a living. Now that you are withdrawing the relevant licences, you are further wiping out fishermen's means of living.

In the 1990s, the construction industry was booming and since many fishermen were unemployed, they followed one another in going ashore and working as workers on construction sites. However, not all fishermen could adapt. I think that as the Government withdraws certain types of licences and drives certain industries into demise, it has the duty to make appropriate

arrangements on account of its acts. These proposals were not raised only today, rather, they have been raised many times and for many years but the Government is still standing by and doing nothing, as though it has no responsibility to deal with such matters. Do you mean that your duty is to drive a certain trade into demise, drive it into a dead end, and then leave it for death? You think that after making compensations, you can wash your hands of such matters.

Therefore, I hope the Secretary will not repeat the mistakes made in dealing with the pig farming industry. When dealing with matters of compensation, he must not repeat the mistakes made in dealing with chicken farmers and the chicken transport trade either. Just now, Mr Tommy CHEUNG cited the example of the transportation of day-old chickens. Why were people transporting live chickens eligible for compensation but not those transporting day-old chickens? In fact, the total amount of compensation involved may be less than \$1 million. Are you going to wake up only after those people have killed themselves? This issue has been raised for three years but you are still doing nothing.

Therefore, I hope very much that even as the Government bans trawling, it must also draw up its fishery policy anew and it must also insist on the principle of sustainable development. It must not drive fishermen into a dead end or force them to kill themselves on account of difficulties in living.

MR FRED LI (in Cantonese): President, a few years ago, I was a member of the Committee on Sustainable Fisheries and throughout, I had taken part in the discussion conscientiously and also supported a trawl ban on local fishing boats. Otherwise, the number of those small fish and shrimps will continue to decrease and a few years later, the catches will also get smaller. Some species have already disappeared altogether from Hong Kong waters.

However, we will not support the relevant compensation arrangements blindly because of our support for this piece of legislation proposed by the Government. Secretary, on Monday, I met with some friends from the Hong Kong Fishery Alliance, which has been established for many years. I wish to talk about the thrust of their views because the time for discussion at the panel

meeting yesterday was too short and we were also enormously dissatisfied with the Government's reply.

Among the fishermen who met with me, some of them work on fish collectors. What are fish collectors? Fish collectors do not catch fish. Their main line of business is to buy the fish caught by other fishing vessels. There are a total of 400 vessels practising inshore fishing in Hong Kong and their catches are bought by these fish collectors. The people in fishing vessels do not go ashore to sell their catches direct and they only rely on fish collectors to buy their catches. They said that there were about 200 to 300 such fish collectors and the sizes of the great majority of them are not very big and the nature of their business is similar to wholesalers in that they distribute the catches bought. The livelihood of the people working on board these 200 to 300 fish collectors mainly depends on the catches of inshore fishing vessels and they make their living by charging commissions. All along, this has been the mode of operation.

If, in accordance with the legislation today, these coastal trawlers in the order of almost 400 are banned from trawling, with some of them being surrendered to the Government, some switching to the provision of recreational activities and some leaving Hong Kong for fish capture in the South China Sea, what catch can these fish collectors collect?

My question is actually very simple, but the Government's reply was that they could sail to the South China Sea to collect the catches there. However, the problem is that these vessels are small in size, so they are not capable of making long trips to the South China Sea to collect the catches of large fishing vessels. The mode of operation is completely different, so it will be practically impossible for them to survive. I raised some questions in this regard, but the Government's reply was that they could collect the catches of other fishing vessels and maintain their livelihood in this way. Here lies the crux of the problem.

Has anyone actually lied? Maybe the fishermen have lied to me, or the Government tried to deceive me deliberately with such an answer, hoping that we would pass the relevant legislation because the papers of the Government said that the trawl ban on these 400 fishing vessels may make these fish collectors have even more business because there are also 700 larger fishing vessels that make long trips to the South China Sea to catch fish and they will sell their

catches to these fish collectors vessels. This is a matter of logical thinking. The sizes of fish collectors are small and they do not have the capability to make long trips to the high seas to collect catches. Moreover, some fishermen have told me that there are also fish collectors on the Mainland — I do not know if the Secretary is aware of such things, provided that these fishermen did not lie to me — which also buy catches from Hong Kong fishing vessels on the high seas. These Mainland fish collectors pay in Renminbi, whereas those from Hong Kong pay in Hong Kong dollars, so comparatively speaking, the competitiveness of the latter is lower. Besides, the demand for catches on the Mainland is very great, so the former can offer better prices to buy the catches. After the imposition of the ban, if fish collectors from Hong Kong cannot buy the catches from fishing vessels operating inshore and have to make long trips to the high seas to buy the catches there, making a round trip will incur fairly high fuel cost, so can these vessels afford to do so? I posed these questions to the Government, but it did not reply directly, only saying that their business would be even better than before and their livelihood would not be affected, and that furthermore, they could do other businesses. The Government may think that fish collectors are all very large in size. Maybe 200 or 300 among them are bigger in size and have the capability to make long trips to collect catches, but most of these fish collectors are small in size, so how can they have the capability to sail to the high seas to collect the catches there? Even if they are capable of doing so, is this viable? Does the mode of operation allow them to do so? This is a very big question mark and the Government has not yet answered this question, so how can I turn a blind eye to this and support the funding provision?

In addition, only one ice maker is left in the Castle Peak Bay in Hong Kong to supply ice to inshore fishing vessels. As we all know, fishing vessels need ice to preserve their catches. The ice made by this only remaining ice maker is all supplied to the 400 inshore fishing vessels, so if these 400 fishing vessels are banned from trawling, how can the people on board this ice maker make a living? The reply of the Government was that they could sell the ice to the 700 large fishing vessels that make long trips to the high seas. This begs another question: How many times do those 700 large vessels that catch fish in the high seas and are offered \$150,000 in ex gratia allowance by the Government return to Hong Kong each year? Those fishermen told me that they returned to Hong Kong for no more than five times each year because fuel cost was high, so they did not

return to Hong Kong frequently, or they may incur losses. Therefore, after they have sailed to the high seas, they will keep fishing and selling the fish there without coming back to Hong Kong. If they do not come back to Hong Kong, how can they buy the ice from this ice maker? This is a very simple question.

Only fishing vessels in Hong Kong have to patronize those ice makers, but after the Government has banned trawling, the said trades will cease to exist, so is it also necessary for this ice maker to wind up its business? Has the Government looked into this problem in depth? The Government knows about everything clearly, but it is unable to answer my questions.

Moreover, there are also 27 small workshops that repair the machinery on these 400 trawlers. Without these 400 trawlers that operate in local waters, from where can these small shops get their business? The Government would surely say that they can provide repair service to those 700 large vessels. However, will those 700 vessels come back to Hong Kong frequently for repairs? No, because the fuel cost incurred by coming back once is already quite high, so how would the boat owners patronize those repair workshops? It is only those fishing vessels capturing fish in the waters near Castle Peak Bay, Tuen Mun and Aberdeen that would patronize those workshops. In that case, will those workshops be affected?

The Government was utterly unable to answer these major questions raised by me yesterday and only said that all in all, there was no problem and that the authorities had conducted studies and knew clearly that those people could do other businesses. However, the ice maker cannot move its operation ashore. Land-based companies producing ice can sell their ice to various parties, including fishing vessels, but ice maker at sea can only provide ice to those 400 inshore trawlers. If those fishing vessels cease operation, what will happen to the ice maker? The 27 small repair workshops and the fish collectors vessels will also face the same problem. I have only raised the problems facing these three trades: one ice maker, 27 machinery repair workshops and 200 to 300 fish collectors. The Government's paper only skims over this issue in paragraph 20, saying that there is no problem or impact whatsoever, so no compensation will be offered.

Let us recall the withdrawal of chicken farm licences and the resumption of chicken farms back then. Initially, the Government did not offer any compensation to vehicles for transporting chickens either, and it was only after lobbying for a year that ex gratia allowance payments were offered to vehicles for transporting chickens. However, we must bear in mind that even if the vehicles for transporting chickens are no longer used for such a purpose, the chicken cages on them can be dismantled and the vehicles can be used for other transportation purposes. However, if the fish collectors and ice maker are no longer used for such purposes, can they be converted for other purposes easily? No. If fish collectors are to be converted into leisure vessels, vessels for angling or passenger vessels, it is necessary to apply for licences separately from the Marine Department. The procedure is most stringent and unlike trucks, licences will not be issued easily. By the same token, if the vehicles for transporting chickens are eligible for ex gratia allowance payments even though they can be converted to other uses, since those fish collectors are highly dependent on those 400 inshore trawlers but the Government has not offered anything to them, has it disregarded the needs of those people providing support services to the inshore trawling trade?

Lastly, many compensation cases have been referred to an inter-departmental working group, so that it can decide according to what market value compensation should be offered to fishing vessels, so naturally, fishermen are concerned about whether or not this team will operate in a black box and behind closed doors. The Government said that there was no need to worry because if one was dissatisfied with the decisions, one could lodge an appeal and that the appeal board was composed of non-official members (who are, of course, also appointed by the Government). Can a better job be done in this regard? According to what criteria does the inter-departmental working group determine the amount of compensation and the market value? Can transparency in this regard be enhanced? At least, the Legislative Council should be briefed more frequently. Secretary Dr York CHOW and his colleagues must address the demands and questions raised by me just now seriously. If he says that there is no problem whatsoever and those fish collectors can change their mode of operation easily, that their livelihood will not be affected in any way, and that this is also the case for the ice maker as well as those 27 repair workshops, then I ask the Secretary to produce the proof. If I am convinced, I will be happy to support the funding provision.

I do not have any strong views concerning the other types of compensation, Under Secretary, I am speaking for those people who provide ancillary support to those 400 vessels and Mr KAM Nai-wai will also express his views on this issue. At this stage, the Democratic Party supports the policy to ban trawling, but if the authorities still do not change their original position when they submit their funding application to the Finance Committee and are unable to explain anything, given my position today, it will be difficult for me to vote in support of it.

I so submit.

MR ALAN LEONG (in Cantonese): President, today, first of all, I have to state the position of the Civic Party on the trawl ban clearly. We absolutely support the trawl ban. The most important reason is that this kind of operation causes completely irreversible damage to the sea around Hong Kong as a sustainable fishing ground.

I remember clearly that several years ago, someone showed me a film about a fishing village in Newfoundland in North America. President, there was originally a community with tens of thousands of inhabitants there and they all made a living out of fishing. However, precisely because they caught fish without any restraint, in the end, this led to a decrease in the size of the fish that were caught by the people in this small fishing port in Newfoundland, with the fish size shrinking from 5 ft to 3 ft, then to fry and then, even fry could not be found. In the end, the tens of thousands of people in this fishing village lost their means of living and had to wind up their fishing industry. This is a real life example telling us that if we overfish, great damage will be done to the ecology and sustainable development. Therefore, the Civic Party supports the Government's policy in this regard.

However, the President may have noticed that meanwhile, last Sunday, several hundred fishing boats staged a protest rally in Hong Kong waters. Yesterday, at a meeting of the Panel on Food Safety and Environmental Hygiene (the Panel), members raised issues relating to the impact of this policy on the 400 inshore fishing vessels and 700 offshore fishing vessels as well as the relevant trades providing support services to these capture fishing vessels. Just now, a Member talked about the ice-making trade that provide ice to fishing vessels to

help preserve catches and the fish collecting trade (since Mr Fred LI has already talked about this, I am not going to comment on this any further), as well as the ancillary trades that provide repair services to capture fishing boats. Yesterday, we heard Under Secretary Prof Gabriel LEUNG talk, and we also learnt from the papers submitted by the Government that the Government apparently had not mentioned in any way how these people would be helped in their search for means of living.

The reply we got was that after the imposition of the trawl ban, the related trades would have even better business. On hearing this for the first time, we found it hardly credible, particularly given that we had also heard fisheries groups make representations to us, so we found this rather strange and puzzling. If fishermen had not made overstatements and exaggerations, the sources of some of the information obtained by the Government are questionable and the Government may have to examine the information again.

Here, I make an appeal to the Secretary, just as we made an appeal to the Under Secretary at the Panel meeting yesterday. President, as far as we know, according to the Government's timetable, after the conclusion of the negative vetting procedure today, the Government hopes that before the Council rises in July this year, it will be able to submit a funding application involving about \$1.7 billion to the Finance Committee for deliberation. If it is passed, the Government will begin to pay out the compensation gradually at the end of this year. Perhaps the President already knows that the Government hopes to ban trawling operations formally in late 2012.

Yesterday, I also asked Prof Gabriel LEUNG at the Panel meeting how he would use the remaining time to do a proper job in offering monetary compensation, so that matters of compensation could be dealt with equitably and how he would ensure that the inter-departmental working group and the Appeal Board composed of non-official members could sort out and address the concerns of fishermen properly, so that they could receive fair compensation? However, there were still no answers.

Yesterday, we heard Under Secretary Prof Gabriel LEUNG say in reply that the Government had examined the written proposal submitted to Members at the meeting for a long time. In other words, there was little room for making changes. I hope that the Secretary, after listening to the comments made by

Members in the Legislative Council meeting today, can look into this matter in earnest back in his office to see if the information obtained by his Policy Bureau from the Agricultural, Fisheries and Conservation Department or existing sources of information, as well as the analyses on the present situation, all lack accuracy and precision, and whether or not there are mistakes, blind spots or room for improvement in the compensation package proposed now.

If the Secretary believes that after going through the negative vetting procedure today and the relevant proposal has been passed by this Council without event, it will also follow that in future, no one would dare take any action to block the passage of the funding application for \$1.7 billion, I believe the thinking of the Secretary is misguided. We support the Government's policy on banning trawling, but it does not mean that the subsequent compensation proposed by you and your response to my elaboration of a policy on sustainable agriculture and fisheries will surely satisfy us and make us feel at ease. Therefore, in the interest of responsible government, we hope very much that Secretary Dr York CHOW can be amenable to sound advice and will deal with the many unresolved issues raised by Members of this Council before submitting the funding application to the Finance Committee.

President, in the several minutes that are left, I wish to expound once again on the position of the Civic Party on the local agricultural and fisheries policy. President, you may have heard the Civic Party say in this Council before that we very much support Hong Kong in having its own agriculture and fisheries industry by all means. If all chickens are culled and all chicken farms are closed down on account of the avian flu, or if it is considered that pigs are unhygienic and pig excrement will be dumped into rivers and streams, thus polluting them, so all pig farms are closed down, in this way, one thing will be closed down after another. President, in other words, judging from these instances, we cannot see any government support for the existence of Hong Kong's own agriculture and fisheries industry.

In fact, if Hong Kong can have its own agriculture and fisheries industry, naturally, there are some advantages. For example, we are often worried about issues of food safety. If our food "from farm to table" is produced entirely in Hong Kong, we can have less worries. In addition, from the angle of environmental protection, if we procure our food locally, apart from being fresher, it is also possible to reduce what we have along called the "carbon

footprint". It will obviate the need to ship beef from Japan or the United States to Hong Kong, nor is it necessary to import fishery produce and vegetables from other places. Therefore, the Civic Party strongly supports the sustainable development of the local agriculture and fisheries industry. However, regrettably, we find in recent years that the Government has not shown any aspiration or commitment in this regard, nor has it at least shown some vision and direction in respect of trades that are in decline and require technological upgrading or support. The Civic Party finds this most regrettable.

As regards the policy to ban trawling this time around, in the same vein, the Government has also to a large extent shown its long-time shortcoming of a lack of commitment to the local agriculture and fisheries industry. Even according to the present formula for compensation, the compensation of \$5.5 million for a fishing vessel is already the greatest amount. However, should the Government not give more thoughts, as some Members in this Council suggested, to how fishermen originally in the trawling trade can be assisted, so that they can still work in alternative agricultural and fisheries trades in Hong Kong? If such a complementary policy is in place, at least, we can move towards the policy objective of enabling Hong Kong to have its own agriculture and fisheries industry, which is supported by the Civic Party, as pointed out by me just now. This is always better than the present piecemeal and reactive approach, which may eventually lead to the decline or disappearance of some local quality agriculture and fisheries operations.

President, lastly, I once again call on the authorities to address the concerns in various areas voiced by the Honourable colleagues of this Council satisfactorily before submitting its funding application to the Finance Committee. I so submit.

DR MARGARET NG (in Cantonese): President, concerning this policy on a trawl ban, the Leader of the Civic Party has already stated our position and many Members have also expressed quite a lot of views from the industrial perspective. On this issue, I only wish to add a few words from the human perspective.

President, I seldom examine the policy on agriculture and fisheries. However, I remember that after the Government had announced its policy to ban trawling, a newspaper published an article on an interview with a young woman, who said with perplexity, "Since it is decided that trawling and fish capture will

be banned, we have to comply with the Government's policy. However, after receiving the compensation, I too want to live on land. I only know how to catch fish all my life and I do not have the qualification to work in other trades." She said government officers had told her that she could work as a salesperson, a cleaning worker, and so on. How will her future be like? This report gave me a lot of food for thought because it made me think that when the Government want to sound the death knell for an industry, it must realize that it is not just the industry itself that will be affected, nor can such matters be settled simply by offering compensation to those people whose livelihood will be affected. Just now, Mr Fred LI also said that in addition to the fisheries industry, many ancillary trades and industries would also be affected. When an industry is facing its demise, a series of chain and ripple effects will also arise and the livelihood of a large group of people in society will be affected.

President, what I want to say is that we must not talk about such issues as employment, livelihood or compensation all the time. Rather, we have to understand that an occupation represents an individual way of life. President, as more and more Western terms are used by us, we often use such terms as public living, livelihood, employment, economic benefits, and so on. In the Chinese tradition, we call all these life or making a living and this means that it is part of our life, our way of life. Fishermen make a living out of fishing and fishing is a way of life. When the Government does not allow a certain way of making a living to continue and also ignores other related issues, even though the people affected can still make a living, even though they can find jobs and even though they can receive compensation, they will still lose a way of life. They can no longer truly lead a complete and human way of life with its own characteristics.

In fact, President, why is it that even though I have so little understanding of the skills in this area, so little understanding of the economic implications and so little understanding of the details of this policy, I still have such profound feelings? President, this is because I also grew up in an agricultural setting. Although I found that often, when the Government resumed land, compensations were indeed offered to the people living in the villages concerned in the New Territories, farmers would lose their land and their lives would become idle and aimless after receiving the compensations. Therefore, I hope that when the Government deals with issues relating purely to the technical operation of a certain industry, it will also take into consideration the vitality of an industry,

listen to the voices of the people affected and help them find together a method to continue with their way of life, even though it will be an improved way of life.

President, if we can look at it from this perspective, various industries and trades will all improve continually, modernize continually, grow and prosper continually and new blood will join them continually as a result, instead of all people being driven into a dead end because of a government policy, thus making an entire industry and its related industries disappear altogether. I think that if the Government continues to do so — Mr Alan LEONG said just now that, for example, since pig farming was detrimental to the environment, the Government offered compensations and told pig farmers to look for other jobs like working as watchmen or in some other jobs. If the Government continues to hold this kind of attitude, what trades will be left in Hong Kong? In the final analysis, the only remaining industry is the financial industry. President, in the past, there was a symbol for Hong Kong and you may still remember it. In the past, what was Hong Kong's symbol in the international community? It was a junk, a traditional Chinese junk sailing in the harbour. The historical background depicts of Hong Kong developing from a small fishing village into the metropolis nowadays. Nowadays, when we talk about fishing boats, hardly anything is left of the fisheries industry and Hong Kong's characteristics in terms of fisheries have also disappeared. President, I find this most regrettable.

The comments made by me today may not be pleasing at all because the Secretary, the Under Secretary and even the Financial Secretary and the Secretary for Environment all do not know what good they will do. In fact, it really boils down to a matter of attitude, mentality and thinking. The reason is that the same problem can be found not just in matters related to trawling, the fisheries industry or fishermen. We must know that each time we toll the death knoll for a certain thing, many things will also be affected in a chain reaction. For example, why do we oppose the hegemony of property developers so strongly and think that it is doing such great harm to Hong Kong? Because it will wipe out existing residential areas and local communities, then turn them into large-scale housing developments. What will this lead to? In fact, not just to a problem in housing. In the past, in Mong Kok or other old districts, many different trades could be found in many alleys and under many staircases, for example, the darning trade, small businesses, the hawker trade and the snacks trade, which fed many people. These people all used their own very lively ways to make a living

and at the same time, they led multifarious and diverse ways of life. If the Government only cares about cost-effectiveness or economic benefits all the time and wipes out an area because there are benefits to be gained, this will deprive many people of the right to continue to lead their lives with dignity.

President, although officials may not think that this is not at all realistic thinking, I still think that we should consider this way of thinking together, and I hope that in the future, when consideration is given to dealing with certain policies, the Government will not think that it is enough just to offer compensations. Having spoken thus far, I cannot help but think of the young woman mentioned by me just now again. Why did she keep talking about compensation, saying that she wanted to seek more reasonable compensation? Not because she was greedy for compensation, but because she thought that there was no other course of action and that no one was listening to them any more.

When I was studying in primary school, I went to a school in Tai Po. It was a fishing village, a small town inhabited by fishermen and it had its own flavor. Hong Kong has lost many such characteristics. I hope the Government will not just care about its policies, rather, it has to consider the people affected by its policies from a practical perspective. I hope it will not just look at their financial losses but will also take the changes in life that they face seriously. The Government also has to understand the incremental impact on Hong Kong's long-term development caused by depriving these people of their ways of life. Thank you, President.

MR KAM NAI-WAI (in Cantonese): President, perhaps today is a historical day for Hong Kong. Dr Margaret NG said just now that all along, Hong Kong's symbol has been a fishing port. However, today, we have to enact legislation to ban trawling in Hong Kong waters. To the fishing industry, I think this is also a rather unhappy day because this may affect their means of living.

However, even so, many people among the Hong Kong public support this move. Recently, Members may have received the e-mails from many members of the public expressing their support for a trawl ban. On my desk, there is also a pile of postcards sent to me by the Ma On Shan Ling Liang Primary School. They all say, "I love the ocean. No more trawlers." Even these primary students have written to me. I have also received an English letter from a child

aged 10 years studying in the Clearwater Bay School and he too said he wanted a ban on trawling.

You can see that the environmental awareness among the Hong Kong public is quite great. In order to protect the marine ecology, I think they also hope that the Legislative Council will support the Amendment Notice that bans trawling in Hong Kong waters today. Of course, the Government has also cited this ground earlier on. Why the ban on trawling? What are the advantages of a trawl ban? They include marine conservation in that the marine ecology, for example, some organisms in the marine ecology, such as corals, sea turtles, and so on, will not be disturbed and the ocean can also develop in a sustainable way, a greater number of fish species can breed in Hong Kong waters and the population of fish in Hong Kong will increase, thus helping to improve the quantity and quality of catches in Hong Kong waters. Of course, eco-tourism can also be developed. What I am talking about here is some of the advantages of a trawl ban.

Although many members of the public support a trawl ban and such a ban has many advantages, as pointed out by a number of Honourable colleagues just now, this ban will also have rather enormous impacts on this industry and we can also see that the compensation package announced by the Government has also drawn a lot of complaints from this industry.

I have received letters from various quarters and of course, some support a ban on trawling — as I said just now, even children have written letters and postcards to me — but many fishermen have also written letters to express their great disappointment with the compensation package and they have a lot of dissenting views. I do not quite understand how, in the whole process, the Government had discussions with these fisherman groups and organizations. As we all know, these fishermen spend little time on land or their level of educational attainment is not very high. I do not know what misjudgment and mistake the Government has made in the whole process of discussing with these groups. After the compensation package was proposed last week, it led to rallies on land as well as rallies at sea and yesterday, there were also a lot of protest activities. In the short span of just one week, there were a lot of objections. I think the Government has to answer some questions.

Among the many Members present here, I think no one would object to the protection of the marine ecology, the wish that the sea in Hong Kong can see sustainable development, and so on. Therefore, none of us will oppose enacting legislation to ban trawling. However, the Democratic Party finds that if the Government does not address some concerns, questions and doubts about its compensation package, the Democratic Party will find it very difficult to support the proposed compensation package.

I will read out several letters from some groups. Concerning their queries, I hope the Secretary can give detailed, prudent and clear answers. Certainly, I cannot read out all the contents in these letters, so I can only summarize the main points in some of them. For example, Mr Fred LI and Mr Alan LEONG both said that I had a letter here from the alliance of fish collectors in Hong Kong which pointed out that the fish collectors were a trade ancillary to the fisheries industry and demanded that compensation be offered to them, but the Government has not made any response. They said that when the Agriculture, Fisheries and Conservation Department withdrew chicken farm licences, even vehicles for transporting chickens were also eligible for compensation, so why were they not offered compensation? They hope the Legislative Council can make justice prevail for them. This is what their letter is about.

In addition, I also received a letter from the Hong Kong Fishery Alliance. They also mentioned fish collectors and the related trades. Of course, they also queried and doubted the Government's inclusion of fishing vessels that are not affected in the scope of communities or fishermen eligible for compensation. What is actually meant by inshore and offshore? What are the methods of calculation? I think the Government owes these fisherman groups a clear explanation.

I also received another letter from the Shau Kei Wan Stern Trawler Fishermen's Credit Cooperative Society, Unlimited, which says, "As far as we know, the expenses for 70 to 100 of the fishing vessels amount to about \$1 million each year and the value of their catches ranges from \$1.5 million to \$2 million and in recent years, some members of our organization also made record catches worth \$200,000 in a single day. In view of this, the calculation of catches is accurate only if it is based on the figures derived from the actual operation of various fishing vessels.". How are the compensations for the relevant catches actually calculated? Should not a clear account of such matters

be given to fishermen? Can the appeal mechanism mentioned by Honourable colleagues just now make them feel satisfied? I think the Secretary also has to take note of this point.

In addition, I also received a letter from the owners of Aberdeen pair trawlers who operate in Hong Kong waters throughout the year. There are two pages and I am not going to read out everything. There are six people who signed the letter and they operate in Hong Kong waters throughout the year. One of the paragraphs in the letter reads, "Their lengths, like hang trawler, are also over 20 m and the modes of operation of these two types of boats are also the same in that they operate inshore and can only catch fish in Hong Kong waters. Why is the rate of compensation for inshore pair trawlers far lower than that for hang trawlers? We are extremely dissatisfied with this. In fact, the AFCD should not deduce the mode of operation of vessels according to their sizes and types, rather, it should base the compensation criteria on the owners' actual mode of operation. We now demand that the amount of compensation for the undersigned be brought on a par with that for owners of hang trawlers." They pointed out that there should be different methods of calculating compensation for different types of fishing vessels and hoped that the Government could treat them fairly in offering compensation.

These fishermen groups have put forward diverse views on the compensation package and I cannot read out all of the letters one by one. However, I hope that before the Government makes a funding application to the Finance Committee the Democratic Party made clear in the Panel meeting yesterday that at this stage, it cannot support the Government's funding application. Certainly, various political parties and groupings may have different views, so we hope that before the Government makes a funding application to the Finance Committee, it must answer these questions one by one clearly, including why the criteria for compensation and various criteria are different. Some time ago, I heard some fisherman groups say that fishermen and the Government also had differences in the evaluation of the production value. Take shrimp trawlers in general as an example, if the amount of compensation is \$900,000, that means their catch each month is only worth less than \$7,500. However, fisherman groups have pointed out that even the monthly operating cost of a shrimp trawler is no less than \$100,000. There are obviously problems as there are differences in the calculations done by both sides. The operating cost of a shrimp trawler alone is no less than \$100,000 per month, so how did the

Government arrive at the monthly production value, which amounts to just \$7,500? In fact, fisherman groups have already provided receipts and invoices to us. Therefore, concerning the calculation of the value of catches, what method of calculation can be considered reasonable? I believe both the Secretary and the Government have to explain clearly.

Since many fisherman groups are not satisfied with this compensation package, the Democratic Party hopes that the Government will examine the relevant compensation package anew. Firstly, in terms of the base, at present, although the amount has been increased from \$1 billion to \$1,726,800,000, as Members of the Legislative Council responsible for approving fund allocations and the use of public funds, we must be very careful with whether or not the basis for the calculation of compensation adopted by the Government has deviated from the reality? Just now, many Honourable colleagues mentioned the fish collectors, ice supplier, repairs businesses, and so on. Should all of them be included in the compensation scheme? We believe that if they will really be affected, they should also be eligible for compensation, which is reasonable. Therefore, we hope that before the Government comes to the Finance Committee, it can submit the information on this as soon as possible. Although we know that some political parties, such as the DAB, already voiced their support for the government package at the Panel meeting yesterday, the Democratic Party believes that it is still not acceptable. I hope the Government can provide the relevant information.

Of course, compensation is only one part and at the beginning of my speech, I said that Dr Margaret NG had said just now that the fishing junk was Hong Kong's symbol. I think that when a lot of people around the world come to Hong Kong, they all hope that they can continue to see fishing vessels, so they are not just our symbol. We emphasize the development of the financial industry but such industries as the fisheries industry should and also need to be preserved. In view of this, the Democratic Party believes that the Government should consider how these people can continue to ply this trade, in addition to offering compensations, buying out their fishing vessels and urging them to cease their operations. Earlier on, we found that the World Wide Fund for Nature had put forward a proposal to enable fishermen to change their mode of operation and it includes leisure fishery, marine transport, marine culture, and so on, as well as practical ways to develop sustainable fisheries management and a fund for scientific research on fisheries. I hope the Government will respond to the

proposal of the World Wide Fund for Nature. Apart from offering compensations (using \$1.7 billion for compensation), are there any other areas of work that warrant review to enable the development of the fisheries industry in Hong Kong?

In this regard, although the Democratic Party supports the legislation today to ban trawling in Hong Kong waters, I have to remind the Government once again that on the question how the Government can help fishermen achieve sustainable development in their industry, we have very strong views. I hope the Government will take note of this point.

Finally, concerning the livelihood of fishermen on changing their mode operation, I hope the Government will consider the relevant scheme prudently. In the final analysis, the policy this time around on banning trawling is actually very similar in scale to the past measures to tighten the control over the live chicken trade. If this trade is shrinking, the Government actually has the responsibility to do a good job in compensation and other complementary measures.

With these remarks, I hope the Government will consider our proposals. Thank you, President.

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

MR LEE CHEUK-YAN (in Cantonese): President, although we all support the Amendment Notice today, we believe Hong Kong should actually support the development of the agriculture and fisheries industry. The problem is that throughout Hong Kong, nearly all the voters in Mr WONG Yung-kan's constituency have been "killed", so that only Mr WONG Yung-kan is left, that is, his seat is still here but his voters have all disappeared. In fact, I think Mr WONG Yung-kan also feels that this hurts sorely. In the future, the number of his voters will be zero and he does not know if, in the future of course, we oppose functional constituencies but this aside, in the future, the number of voters in his constituency will be zero.

I think that if Hong Kong's economic development depends solely on the financial industry or some large-scale catering or retail industries only and we

lose the agriculture and fisheries industry, people will lose something indeed. The agriculture and fisheries industry enables us to have a closer connection with nature and of course, it is also for the sake of nature that we support the Amendment Notice today. We should strike a balance between the development of industries by human beings and the environment to ensure that both the environment and our industries can develop in a sustainable manner. In the final analysis, the fisheries industry also has to strike a balance with the environment. If the balance with the environment is upset, sooner or later, it will be "game over".

Although we support this Amendment Notice today, we also believe that the Government must conceive a holistic agriculture and fisheries policy instead of just banning those people from plying their trade and offering compensations to them, then telling them to receive training, and when they say that they are unemployed and do not know what to do, the Government tells them to apply for Comprehensive Social Security Assistance. This is definitely not a proactive approach or something we wish to see. What we wish to see is that, firstly, there must be reasonable compensations and if some people have strong views and are very dissatisfied now, the Government has the responsibility to discuss or negotiate with the groups concerned to seek a reasonable ground to offer reasonable compensations to them. This is just like our fellow workers. Insofar as severance pay is concerned, all along, we are given at least two thirds of the monthly wages for each year of service, or the amount is taken from Mandatory Provident Fund accounts, so that reasonable compensation can be offered to wage earners somehow. Now, the Government is driving the whole fisheries industry into demise, so it should also offer reasonable compensations.

Meanwhile, apart from reasonable compensations, the Government should also formulate a policy to help fishermen continue to develop this industry and this is quite important, as I have said that I hope the development of industries in Hong Kong will not be confined to the financial industry alone. On the development of the fisheries industry, we believe that the Government should hold discussions with fisherman groups to understand their demands and difficulties, so as to help them develop their industry. This can bring about comprehensive and balanced economic development that is not skewed, say, to the financial industry, speculative activities, the real estate sector, and so on.

Therefore, although we support the Amendment Notice today, we think that many issues remain not resolved. Today marks the end of one problem but also the beginning of many others. Be it problems relating to compensations or the continued development of the fisheries industry, the Government should conduct more discussions in this area and formulate more related policies to foster this industry, since it is only in this way that the development can be made healthier.

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, Members have already spoken in this session. I now call upon the Secretary for Food and Health to speak. This debate will come to a close after the Secretary has spoken.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I have to thank Mr TAM Yiu-chung for chairing the Subcommittee on Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 (Amendment Notice) and Members for their speeches on the Amendment Notice. I would like to take this opportunity to further explain the position of the Government and respond to Members' views.

Regulation 4A of the Fisheries Protection Regulations (Cap. 171 sub. leg. A) prohibits the use for the purpose of fishing any apparatus of a class or description specified by the Director of Agriculture, Fisheries and Conservation (the Director) in the Schedule to the Fisheries Protection (Specification of Apparatus) Notice (Cap. 171 sub. leg. B). To take forward the trawl ban initiative, the Director specified trawling devices as an item in the Schedule by notice published in the Gazette on 25 March 2011. The Amendment Notice will come into operation on 31 December 2012.

In the Policy Address of 2010-2011, the Chief Executive also announced that the Government would implement a series of management measures, such as banning trawling in Hong Kong waters, through legislation to protect our precious marine resources and ecology.

The fisheries resources and the amount of catch in Hong Kong have been declining since the late 1980s. According to the result of a consultancy study conducted by the Agriculture, Fisheries and Conservation Department (AFCD) in 1998, in the preceding decade, the catches in most parts of Hong Kong waters had decreased by more than 50% and fish fry production per year had decreased by 90%; 12 out of the 17 species under evaluation were heavily over-exploited, while the remaining five species were fully exploited. According to a study conducted by the Chinese Academy of Fisheries Sciences in 2006, the maximum sustainable yield of Hong Kong waters is estimated to be about 20 500 tonnes, and the fishing effort in terms of engine power should be kept below 140 000 kW. However, according to statistics in 2006, the fisheries production of Hong Kong waters was around 26 700 tonnes, while the overall engine power of fishing vessels was around 270 000 kW (that is, 30% and 93% higher than the maximum sustainable yield and the maximum sustainable fishing effort respectively).

The ban on trawling activities can enable fisheries resources to rehabilitate and species with economic value and high ecological value to return to Hong Kong waters. A simulation study conducted by the University of British Columbia in Canada for Hong Kong waters estimated that if such measures as controlling the growth of the fishing fleet, banning trawling and establishing fisheries protection areas or "no-take" zones in Hong Kong waters were implemented, Hong Kong fisheries resources would become 50% higher in 25 years' time than if no such measures were taken. The WWF Hong Kong has also cited expert studies which predicted that five years after the implementation of the trawl ban, populations of squid and cuttlefish will increase by 35% and that of reef fish by 20%. Populations of larger fish, such as groupers and croakers, will surge by 40% to 70% as well. Some small fishing boats that employ more selective fishing methods will have greater prospects and the chance of catching high-value species will also increase. The restructuring of the composition of capture fisheries will enable the industry to achieve sustainable development. It is expected that the future capture fisheries will be largely comprised of small-to-medium size non-trawlers engaged in inshore capture fisheries, while an appropriate number of large trawlers and fishing vessels of other types will

mainly operate beyond Hong Kong waters in deeper seas. This is also the general trend around the world. Examples in the Mainland and some overseas countries, such as Indonesia, adequately show that the productivity and financial condition of fishermen who changed from trawling activities to selective fishing methods would improve as a result of the recovery in the fisheries.

To assist the fishermen affected, the Government proposed to bundle the trawling ban with the introduction of a scheme to grant ex gratia allowance, voluntary buy-out arrangements for trawler vessels, as well as one-off grants. The scheme includes:

- making ex gratia allowance payments to affected trawler owners for permanent loss of fishing grounds arising from the trawl ban;
- buying out of affected inshore trawler vessels from trawler owners who voluntarily surrender their vessels; and
- providing one-off grants to assist the affected local deckhands employed by inshore trawler owners who volunteer to surrender or sell their trawler vessels.

When formulating the proposals, we have fully consulted fisherman organizations and stakeholders and also responded proactively to their demands. We have given an account of the details to the Subcommittee responsible for scrutinizing the Amendment Notice and the Panel on 3 May and 17 May respectively. The main points include:

- for owners of inshore trawlers which operate wholly or partly in Hong Kong waters, we propose to enhance the multiplier of the ex gratia allowance formula from seven years to 11 years of notional fish catch value in calculating the ex gratia allowance payments;
- for owners of larger trawlers which operate mainly in the South China Sea, a lump sum ex gratia allowance payment of \$150,000 will be given in respect of each larger trawler if the relevant application is successful;
- the buyout price of an individual vessel will be the estimated current value, varying according to the type, length, age and equipment/gear

of the trawler vessels. We will also make reference to the valuation provided by an independent marine surveyor as necessary in determining the buyout price; and

- a one-off grant of \$34,000 will be offered to each eligible local deckhand, which is equivalent to about three months of the average salary of a worker.

It is estimated that the entire scheme would involve a commitment of \$1.7268 billion.

Subject to funding support from the Finance Committee, we plan to roll out around late 2011 the scheme for the buying out of trawlers coupled with ex gratia allowance payments and assistance to affected local deckhands. In sum, the trawl ban initiative was announced in the Policy Address in October 2010 and will come into operation on 31 December 2012. In other words, affected trawler fishermen will have a period of more than two years from the announcement of the initiative to make preparations and after the amendment to the legislation, they will also have a period of one and a half years for preparing to cease their trawling operations in Hong Kong waters.

Earlier on, a Member said that this measure introduced by us was not a long-term one. However, we must also stress that this initiative was formulated according to the recommendations made by the Committee on Sustainable Fisheries four years ago. Apart from the trawl ban, there are also other complementary measures to actively promote the development of fisheries, such as:

- the AFCD will continue to provide training courses to help both trawler owners and the local deckhands switch to other sustainable fishery-related operations, such as marine fish culture, leisure fishing and even deep-sea fishing;
- on the fisheries eco-tourism pilot scheme, the AFCD will also extend it to Sai Kung, northeastern New Territories and other districts beyond the Southern District waters;

- the AFCD has also been reviewing together with the relevant Policy Bureaux and departments the issue of new marine fish culture licences and studying the expansion and rotation of fish culture zones to facilitate the transition made by trawler fishermen to mariculture. We will also study the point raised by Mr WONG Yung-kan just now concerning fish feed;
- we are reviewing the mechanism, terms and eligibility under the Fisheries Development Loan Fund in order to cater better to fishermen's needs; and
- regarding the willingness expressed by some fishermen to continue to operate in the South China Sea, we have also started liaising with the Mainland authorities and would continue to actively follow up the matter.

Just now, some Members commented on whether or not our assistance to the industry is adequate and fair, for example, owners of large trawlers are dissatisfied with the proposal that they receive a lump sum *ex gratia* allowance of \$150,000. To inshore trawlers which operate wholly or partly in Hong Kong waters, their owners will be affected the most as they will lose their fishing grounds in Hong Kong waters. Larger trawlers generally do not operate in Hong Kong waters but in the South China Sea. Therefore, when determining the amount of lump sum *ex gratia* allowance payments, we must take into consideration the fact that, comparatively speaking, the impact of the trawl ban on larger trawlers will be much smaller than that on inshore trawlers. We must also ensure that public money for the *ex gratia* allowance payments is used properly and effectively. The amount of an *ex gratia* allowance payment has to be determined according to the actual degree of the impact.

A number of Members also reflected that related trades (for example, fish collectors, ice supply and vessel repair) had also requested the grant of *ex gratia* allowance. I also hope Members can understand that after the trawl ban has come into operation, the remaining fishing vessels will continue to generate ancillary service requirements on these trades. The impact of the trawl ban on them is not considered to be significant. At present, there are a total of 3 900 fishing vessels in Hong Kong, of which about 400 will be affected, as I said

earlier on. We also explained to Members our justifications at the Panel meeting yesterday. However, I appreciate Members' demands. Under the principle of ensuring that public money is used properly and effectively, before seeking funding approval from the Finance Committee, we will further consider carefully the relevant demands of related trades having regard to the views expressed by Members at the Panel meeting and today.

President, it is true that Hong Kong's agriculture and fisheries industries are affected by Hong Kong's urbanization. However, in the past few years, the Government has tried to develop the local agriculture and fisheries industries within the limited scope. For example, on organic farming, a number of farms have already been added and assistance is offered to them; on poultry farming, we must put in place certain measures to protect the environment and prevent the possible spread of avian influenza. We believe that the fisheries industry can continue to develop in a sustainable way and its development can even be boosted. We also hope that this exercise will make the general public treasure the sea around Hong Kong even more. In the long run, the Government's proposal and the Amendment Notice today can help conserve the long-term local marine ecosystem and fisheries resources and promote sustainable development of the fisheries industry, as well as maintaining a quality marine ecology for the benefit of the general public, particularly our next generation. When formulating relevant proposals to help those affected, we have striven to strike a reasonable and appropriate balance between taking care of the needs of affected fishermen and ensuring that public money is used properly and effectively. Following the completion of the legislative process, we will seek funding approval from the Finance Committee before the end of the 2010-2011 Legislative Session for purposes of proceeding with the preliminary work as quickly as possible to tie in with the implementation of the trawl ban on 31 December next year. I hope Members will support the funding proposal.

President, I so submit.

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

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of the 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: Alleviating the impact of food price inflation on the public.

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 Yung-kan to speak and move the motion.

ALLEVIATING THE IMPACT OF FOOD PRICE INFLATION ON THE PUBLIC

MR WONG YUNG-KAN (in Cantonese): President, I move the motion as printed on the Agenda.

President, last Friday the Government announced Hong Kong's economic performance figures for the first quarter. The year-on-year GDP rose by 7.2% in real terms and it was better than expected. However, the report also points out that the overall rise in prices has accelerated this year. Inflation in the first quarter is as high as 3.8%. The report has revised the forecast on inflation rate for the year to about 5.4% or 5.5%. Although the figures show that the economy is growing fast, if you go to the streets and ask any wage earner, he or she will say that prices are very high but wages have not seen any increase. The general public cannot share the fruits of economic prosperity and real wages are constantly eaten up by inflation. It can be seen that the people will be unable to lead a comfortable life.

If we look at the situation carefully, we will find that inflation in Hong Kong comes from rising expenses on housing and the surge in food prices. What worries me most is the rise in food prices. According to government

statistics, food prices have risen by 5.2% overall in the first quarter, which is higher than the inflation rate. Actually, we would be able to know this when we go out for meals. Even in a neighbourhood fast-food restaurant, its price list has changed many times in these few months. If you think that you can save some money by eating at home, figures show that food prices have risen by 7% this year and it is even higher than dining out. So the public is facing the problem of having difficulties in finding affordable food because of the high food prices.

It is obvious that food prices in Hong Kong are affected by imported inflation and this excessive reliance on imported food together with the constant appreciation of the Renminbi has accelerated this rise in food prices. We are of course concerned about the effect of rising food prices on the general public, but there are certain necessities that people may find it hard to buy even if they have the money.

The shortage in infant formulas which began in the middle of last year has continued into the beginning of this year. When added to the massive earthquake and the nuclear incident in Japan, there is a disruption in the supply of Japanese infant formulas. This shortage of infant formulas is therefore pushed to the verge of a breaking point. Leaving aside the question of soaring prices, it is hard for parents to get a can of infant formula and they even have to mobilize the whole family to queue up at the selling points.

This acute shortage of infant formulas has something to do with the fact that infant formulas sold in Hong Kong enjoy a reputation of safety which is recognized by Mainland people. When added to the fact that infant formulas sold in Hong Kong are cheaper than those sold on the Mainland, it is only natural that they are much sought after. The massive numbers of people who engage in parallel imports have hoarded infant formulas, hence leading to this shortage in supply.

President, infant formulas are the only choice besides breast milk and under practical circumstances, it is not possible for parents in every family to choose to breast feed babies. So once there is a shortage in infant formulas, the parents would be very worried. They grumble because they fear that the supply of infant formulas to their babies would be disrupted. The DAB thinks that to address the problem of the shortage in infant formulas, effective measures must be launched at the supply and sales levels.

In terms of supply, although the Government keeps on saying that supplies in the market are abundant and the increase in the amount of infant formula imports is far greater than the natural growth in the number of babies, the impression which the people get is totally different. The motion moved by me today suggests that the Government should conduct studies to bring infant formulas within the regulatory ambit of the Reserved Commodities Ordinance. This will send a clear message to the market, that the Government has laws and is able to ensure the supply of infant formulas, and that it is doing more than just maintaining communication with the suppliers.

According to the existing Ordinance, the Government can specify the amount of reserves for goods brought under the ambit of the Ordinance. In the case of rice, the suppliers must have stock that meets the demand for 15 days. These suppliers shall keep stock records so that the Government can check the amount of stocks at any time and can send clear and accurate messages to the public, hence minimizing the chances of panic purchase of such a commodity due to confused market information.

The existing Ordinance also specifies that the wholesalers and those who keep stock of such commodities must be registered with the Customs and Excise Department and they must apply for permits if they wish to import and export such commodities. With such legal provisions in place, once infant formulas are brought into the ambit of the Ordinance, the Government can study ways to combat the hoarding of infant formulas by those who engage in parallel imports activities and who export these commodities to the Mainland. This will ensure that local supplies can meet the demands of parents in Hong Kong.

More importantly, the Ordinance empowers the Government to require registered wholesale traders of reserved commodities to distribute the commodities concerned to specified persons, and the Government can also decide on a ceiling for wholesale prices. Certainly, we understand that such a power should be exercised with extreme caution and only under urgent circumstances such as a serious natural disaster or in a state of political turmoil. But with respect to the shortage in infant formulas in the wake of the earthquake and nuclear crisis in Japan, it shows that with this total reliance of Hong Kong on imported infant formulas, we can do nothing to ease the present problem when there are fluctuations in the supplies from the country of origin or when certain urgent circumstances have emerged in Hong Kong. Therefore, the DAB thinks

that since there is a relevant Ordinance in place and as rice has long been brought under the regulatory ambit of that Ordinance, infant formulas should also be brought under the same Ordinance because it is the staple food for babies.

President, apart from the need to stabilize the stocks, the shortage in infant formulas is apparently related to the disruption in the retail system. Certain criminal elements try to reap a hefty profit by hoarding infant formulas and sell them at a higher price to those itinerant traders. In our opinion, such acts will deal a heavier blow to our reputation as a shoppers' paradise than the acts of these so-called rogue tourist guides. This is unacceptable to us. Therefore, apart from ensuring the smooth flow of market information regarding infant formulas and keeping a close watch on it, the Government should ask the Consumer Council to take the initiative of conducting surveys on retail prices and sale of infant formulas. At the same time, the Government should talk with the suppliers and set up a code of sales for the industry to govern the retail of such commodities. Once retail outlets are found in breach of the code, they shall be publicized and put on a black list and supplies to them shall be terminated.

In the final analysis, President, we rely too much on imported food. The agriculture and fisheries industry in Hong Kong has lost its function of supplementing food supply to the territory as it did in the past. I have mentioned many times actually in this Council the importance of rebuilding the local agriculture and fisheries industry. But what the Government has been doing in recent years is in exact opposition of this direction and it is constantly doing things to downsize the agriculture and fisheries industry.

If we can attach greater importance to the development of the agriculture and fisheries industry, we can reduce the risks in food safety and supplies. As the main staples in Hong Kong come from the Mainland, the people of Hong Kong have not been able to put their mind at ease due to the problem of food safety of food from the Mainland. Moreover, due to rising standards of living on the Mainland, there is a greater demand for food and this may affect the amount of food exports to Hong Kong. Although Hong Kong is unable to supply all the food required by its 7 million inhabitants, as seen from the production of the local agriculture and fisheries industry in the past, the amount should be able to supplement food supply. In the case of vegetables, in the past local products accounted for 4% of the supply and live pigs 20%. There was also a supply of live chickens rated at some tens of thousands a day and more

than 9% of fish for consumption was supplied by local sources. So if the methods of production can be improved and if active steps can be taken to develop the local agriculture and fisheries industry, it should be able to play a part in stabilizing the supply and easing food prices.

Moreover, the global trend now is not just for healthy food but also striving for a low carbon diet. As the transportation of local agricultural produce only requires a short distance, the costs in transportation and storage are low. Apart from reducing costs, the aim of achieving low carbon can also be met. Now the local agriculture and fisheries industry can develop in the direction of methods of production and it can add an element of leisure activities to it. This will enable the industry to grow on a greater scale while more grass-roots people can earn a living in the industry. This will have a positive effect on our society.

President, in recent years the agriculture and fisheries sectors have made many proposals in the hope that production can be increased. In terms of the poultry and livestock sectors, the industry is willing to inject more resources into bio-safety work and increase the amount of live chicken supply. It is also hoped that the Government can set aside some remote islands to rebuild pig farms in Hong Kong.

As for the fisheries sector, the Government will enforce a policy next year to ban the operation of trawlers in Hong Kong waters. The capture fishery sector must venture out of Hong Kong waters to operate. Therefore, there is a need for the Government to discuss the issue with the Mainland fisheries administration authorities to facilitate Hong Kong fishing vessels in engaging in capture fishery operations in Chinese waters or even waters farther away. At the same time, technical assistance should be provided to fishermen engaging in inshore fishing so that they can comply with the new regulatory requirements. In addition, we also propose that inland fish farming should be developed. We hope that the Government can study this subject soon.

After the ban on trawling has come into force, the fish farming industry will face a problem of a reduction in the supply of "trash fish" used as fish feed. The Government should develop new kinds of fish feed with the industry to minimize the reliance on "trash fish". This point was mentioned by the Secretary earlier.

President, we know that the local agriculture and fisheries industry can only be developed to supplement food supply for the territory and there is still a need for us to import food from the Mainland and other places. But that does not mean that Hong Kong is placed in an entirely passive position. I think in the malachite green incident of 2006, the local fisheries industry gave great help to the Government. So I hope the Government can reconsider giving help to the Hong Kong farmers and enterprises to invest on the Mainland and export the food produced there to Hong Kong. Actually, quite a number of places are putting similar ideas into practice. In Japan, the farming areas there were devastated by the massive earthquake and the nuclear incident and time is required for their recovery. There are reports of late that in a bid to ensure a stable food supply in the country, Japan is also developing farming in China in addition to procuring more agricultural products in the international markets. We mentioned yesterday that the Japanese were snatching up food on the Mainland. I hope that the Hong Kong Government can take active steps to help local farmers make investments. On the one hand this can ensure a stable food supply and on the other the experience gained in agricultural management, including that in production safety, food safety and such like regulated work experience, can be learnt by Mainland people and hence help raise the overall food safety levels of the country.

President, I so submit.

Mr WONG Yung-kan moved the following motion: (Translation)

"That, given that the majority of foods in Hong Kong rely on import, and due to the impact of factors such as global fluctuations in food prices and Renminbi appreciation, etc., the local food prices have remained persistently high; besides, given Mainland residents' trust in foods which are sold in Hong Kong, particularly after the occurrence of melamine-tainted formula incidents involving Mainland milk products, their demand for infant and follow-up formulas which are sold in Hong Kong has soared, leading to an upsurge in the prices and shortage of stocks; in this connection, this Council urges the Government to adopt effective measures to alleviate the impact of food price inflation on the public; the relevant measures should include:

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- (a) to conduct studies on bringing infant and follow-up formulas within the regulatory ambit of the Reserved Commodities Ordinance to ensure their stable supply and enable the Government to effectively monitor their stocks, and to formulate jointly with suppliers a code of sales for the industry as soon as possible, so as to ensure the supply of milk formulas to local users;
 - (b) to rebuild the local agriculture and fisheries industry, so as to supplement food supply in Hong Kong;
 - (c) to assist local food importers and food establishments, etc., in identifying a wider variety of food materials and expanding the sources of supply, so as to diversify the risks of unstable food supply from individual places;
 - (d) to enhance the tests on Mainland and Japanese foods, and to actively seek to establish closer co-operation with the Mainland Government and the Japanese Government on food safety matters, so as to restore public confidence and increase the quantity of safe foods available on the market;
 - (e) to formulate a policy on rental and facility improvement which is conducive to the development of public markets to enhance their competitiveness, so as to meet the function of supplying fresh provisions to the general public;
 - (f) to further increase the transparency of essential food supply and price information, with a view to facilitating the dissemination of market information and preventing stockpiling and hoarding by unscrupulous traders; and
 - (g) to relax the eligibility requirements for short-term food assistance service projects and the period of receiving assistance, and to conduct studies on providing support to the grassroots through the Community Care Fund, etc., in coping with the food price inflation problem."

PRESIDENT (in Cantonese): I now propose the following question to you and that is: That the motion moved by Mr WONG Yung-kan be passed.

PRESIDENT (in Cantonese): Five Members will move amendments respectively to this motion. We will now have a joint debate on the motion and the five amendments

I will first call upon Mr WONG Kwok-hing to speak, to be followed by Mr IP Wai-ming, Dr PAN Pey-chyou, Mr Vincent FANG and Mr Ronny TONG respectively. But no amendments may be moved at this stage.

MR WONG KWOK-HING (in Cantonese): President, I am very grateful to Mr WONG Yung-kan for moving the motion "Alleviating the impact of food price inflation on the public". This is really keeping abreast of the prevailing social situation.

My amendment mainly focuses on item (e) of the original motion concerning public markets as all markets in Hong Kong provide inexpensive and quality food and non-staple food to the public. If the rentals of markets are very high, the cost will eventually be transferred to members of the public.

President, on this issue, I will make it clear at the beginning that I urge the Government to make timely use of the invaluable 18-month period starting from June in which the rents in all public markets in Hong Kong are frozen. I thank the Government for accepting our proposal. As early as 22 February, I already made a proposal at a special meeting of the Panel on Food Safety and Environmental Hygiene to urge the Government to freeze the rents of all public markets in Hong Kong. Subsequently, in a question and the debate on the Budget, I raised the proposal with the Director and the Secretary time and again. The proposal was finally considered by the Government and an announcement was made in late April to extend the rental freeze for public markets in the territory for 18 months after the expiry of the original rental freeze in June.

Public market rents throughout Hong Kong will be frozen for 18 months. Undoubtedly, this will give market vendors a breathing spell. However, Members all know that 18 months later, they may have to face a rental increase

by the Government again. Since this rental freeze is so important and invaluable, I urge the Government, in order to find a long-term and comprehensive solutions to the issues of rental policy, the allocation of resources and the management of public markets, to make timely use of this precious 18 months by taking the lead in setting up a government-led working group comprising market tenant groups, members of representative councils and even academics and government representatives, to conduct a comprehensive review of the existing policy on public markets and the relevant measures, so as to hold detailed discussions and identify feasible measures and policies to help the tenants of public market within this 18-month period.

President, earlier on, the Government proposed to raise market rents according to the market rate and the average rental. This idea was put forward at the beginning of this year. This definitely would not work and is also removed from the historical factors of public markets.

President, the current vacancy rate in government public markets is 16.3% and there are 12 188 rental market stalls. These 12 188 tenants mainly fall into three categories. The first is vendors who, for various historical factors, for example, on-street hawker stalls that were demolished or relocated by the Government, or vendors who moved into municipal markets in order to improve environmental hygiene in the streets, or those who were arranged to move into municipal markets as the Government wanted to recover their hawker licences on compassionate grounds. There are 7 648 tenants in this category, accounting for more than 60% of the total. Tenants who had their hawker licences recovered by the Government only have to pay 2% of the market rent. It can be seen that this category of tenants moved into public markets for various historical reasons.

As for the second category, back then, in order to solve the problem of the high vacancy rate in public markets (the vacancy rate in 2009 was 30%), the Government introduced a policy to offer rental concessions. The rent for stalls which had been vacant for six months would be offered for letting at 80% of the open market rental, and 60% for those which had been vacant for eight months. This is the background for the second category of tenants, who number at 1 421 tenants in total.

Tenants in the third category became tenants in markets through open bidding. They number at 4 540 in total, accounting for 37% all tenants. We can see that the three categories of tenants became market tenants in different

circumstances and at various times. How can the Administration adopt an across-the-board approach, regardless of the historical reasons and actual situation, and require them to pay the average rental or market-level rental?

We can see that there are several categories among the tenants and cases that must be dealt with separately. First, cases with different backgrounds and different rents must not be dealt with together. I will cite a real example. The current monthly rent for seafood stall (CFS01) at the Tai Po Public Market is \$61,000 and its adjacent stall (CFS02), which also sells seafood, only pays a rental of \$6,000. Members can think about how the average rent can be calculated. If it is to be based on the open market rental, that means, the rent of \$6,000 has to be increased to \$60,000, so how can those people continue to operate? This is the first difference that we have to deal with.

Second, each public market caters to different standards of living, demographic structures and business environments. How can different districts and different markets be mingled together and dealt with across the board?

Third, in respect of such areas as market facilities, service provision, passageways, stall layout and numbers as well as the availability or otherwise of air-conditioning, new markets are different from old markets. How can they be regarded as the same and dealt with across the board?

Fourth, the shops of commercial tenants selling the same kind of goods may be located at different places. How can they be regarded as the same and dealt with across the board? In fact, tenants situated at the entrances to a market or at the entrances of passageways and those situated at back-row pitches are actually in two entirely different situations, with different modes of operation. They are worlds apart and have different turnovers. How can they be mixed and dealt with together?

To sum up, the Government must face up to these four differences squarely. Owing to these complicated factors, the Government cannot deal with this matter in an over-simplified way. Therefore, when the Government published the paper on 18 February, we raised strong objections. I hope very much that the Government can consider the proposal put forward by me and supported by all Members at that time — to oppose basing the new rental adjustment mechanism on the average rental or market rental. Rather, the air-conditioning charges should be calculated pro rata according to the tenants'

stall areas and additional resources should also be allocated to improve the business environment of public markets. Put simply, air-conditioning facilities have to be installed. Precisely because all these are very complicated issues, I hope that the Government can make timely use of this 18-month golden period to set up a working group to follow up the relevant issues, with a view to formulating a set of comprehensive, complete, feasible and reasonable policies and measures on public markets. I hope that the Government will really give this consideration.

President, another point that I wish to say is that the Government must build government public markets in new development areas and remote new towns, instead of letting the two major supermarkets monopolize the daily necessities purchased by residents or let the high rent and high spending policy of the market under The Link REIT aggravate their difficulties in living.

At present, there is no public market in Tin Shui Wai or Yat Tung Estate in Tung Chung. A group of Tin Shui Wai residents came here to stage a petition yesterday, hoping that the Government can consider building a public market in Area 108A of Tin Shui Wai. Regarding such new development areas as Hung Shui Kiu and Kwu Tung, I also hope that the Government has considered and planned for the construction of new markets when carrying out town planning now. This matter cannot be ignored at the time of town planning.

The last point that I would like to say is that the Government should actively promote the organization of open-air bazaars at appropriate locations by civil groups that are prepared to operate such bazaars. I have formed a group with the residents and hawkers on the river banks of Tin Shui Wai. We made a proposal to the Government in January last year. A revised proposal was also submitted in January this year. However, to my knowledge, at present, the plan has yet to be implemented because of a lack of active support from the Food and Environmental Hygiene Department. Therefore, I hope that after listening to this, the Secretary can follow this up for us. Thank you, President.

MR IP WAI-MING (in Cantonese): President, inflation continues to surge. I can see that the prices of the food on this menu have also increased and the price increases of some food are very great. Looking at this menu, we can also feel that inflation has come.

According to the figures of the C&SD, the year-on-year rate of increase in the Composite Consumer Price Index (CCPI) in March this year rose by 4.6%, and the CCPI for the food section even rose by 8.8%, while housing, electricity, gas and water also rose by 4% to 11%. This reflects the fact that inflation has imposed a heavy pressure on people's livelihood. In the face of soaring prices, no matter how well grass-roots members of the public try to penny-pinch, they cannot cope with the onslaught of this horrifying beast called inflation. We think that the Government must strive to find solutions to the root problems that have caused inflation, so as to alleviate the impact of inflation on the living of the grassroots. Therefore, I am very grateful to Mr WONG Yung-kan for moving the motion today.

The surge in food prices is due to the increase in the price of raw materials and the drastic rise in rental. This is also a major problem confronting small vendors. Since Mr WONG Kwok-hing has already elaborated on our behalf our views in this regard just now, I am not going to repeat the details here. I would like to focus on the issue of formula milk.

Nowadays, inflation affects not only adult food but also food for children. When buying formula milk, apart from facing the difficulty of buying it, many parents also face the problem of formula milk getting more and more expensive.

The Consumer Council pointed out that in the first two months of this year alone, 51 complaints about formula milk were received, of which 40% were complaints about formula milk running out of stock. Moreover, nearly 30% of the complaints were about the excessively high prices of formula milk. Between late February and early March, the Hong Kong Federation of Trade Unions conducted a survey among parents in Sheung Shui and Tai Po and found that 68.3% of the respondent said that they had difficulty in purchasing formula milk powder. They said that they often had to call on one to five shops before they could find formula milk. One respondent even said that he had to go to the shop at the airport before he could buy the formula milk for his child.

Although the Government has requested major formula milk suppliers to increase the supply but up to now, we are still receiving complaints from parents about difficulties in purchasing formula milk. Statistics from the Immigration Department show that in 2010, a total of 88 500 babies were born, representing an increase of 7.8% compared with that in 2009, and 23.74 million kg of formula

milk was imported in the same period, meaning an increase of 33.9% compared with 2009. Judging from the rise in birth rate and the volume of imported formula milk, babies in Hong Kong cannot possibly have inadequate formula milk for food. Although the supply of formula milk in Hong Kong should also be adequate, why has formula milk been in short supply in the market for prolonged periods of time? The shortage of formula milk causes many people to doubt whether or not some people are hoarding formula milk for speculation.

Moreover, since the incident of formula milk tainted with melamine occurred on the Mainland a few years ago, formula milk in Hong Kong is no longer sold exclusively to local parents. Mr WONG Yung-kan also said just now that formula milk in Hong Kong is currently not just for the local market but also for the huge Mainland market. In these circumstances, as this kind of demand is ever increasing, we think that increasing the supply of formula milk is certainly one way of meeting the demand in the market, but we also think that the Government should step up inspection and in-depth investigations to crack down on those vendors who are stockpiling formula milk to raise the prices. Moreover, we also think that the Government should consider some adequate measures to ensure that formula milk can really reach the hands of parents in Hong Kong.

President, although we understand that after we had shown support for the promotion of breastfeeding, the Hospital Authority (HA) has banned formula milk traders from advertising at maternal and child health centres. However, in order to ensure that formula milk can really reach the hands of the parents in Hong Kong, we think that the HA should consider setting up dedicated counters in maternal and child health centres for parents to buy formula milk to prevent babies from going hungry.

President, we know that breastfeeding is being promoted (including by the Hong Kong Government) all over the world. One solution to the problem of formula milk shortage is to promote breastfeeding. However, different people may have different needs. Coupled with the actual circumstances, some parents may not be able to choose breastfeeding. President, in these circumstances, although the Government has been promoting breastfeeding for many years, many people still cannot choose to do so. Apart from personal reasons, we think that very often, the Government also fails to introduce complementary policies.

The Government has indicated that insofar as the best time for breastfeeding is concerned, it should at least be done in the first six months. However, the statutory maternity leave in Hong Kong lasts only 10 weeks. This is falling short of the six-month period by more than 10 weeks. Many countries have longer maternity leave than that in Hong Kong: 14 weeks in Japan and New Zealand; 16 weeks in Singapore; 39 weeks in the United Kingdom; even maternity leave of over 50 weeks are offered in Canada, Denmark and Norway. Some countries even provide for paternity leave.

The International Labour Organization (ILO) has extended maternity leave from the original period of not less than 12 weeks to 14 weeks and it even recommends that the state members increase maternity leave to 18 weeks. The ILO also suggested that if an employee has a child under one year old and she needs to breastfeed her child, so apart from the statutory breaks, the employer should also provide her with two nursing breaks a day, each being limited to 30 minutes, to breastfeed her child, and these two nursing breaks shall be counted as hours worked.

Apart from the failure of the provisions on maternity leave to align with the Government's recent and frequent appeals to parents to try their best to breastfeed their babies, public facilities also fail to encourage mothers to breastfeed their babies. At present, many public facilities do not have baby-care rooms. A mother has to go to the toilet if she wants to breastfeed her baby, causing much inconvenience to many mothers. Apart from being cramped, there is also a heavy flow of people in toilets and hygiene is also an issue. All these will affect the quality of breastfeeding.

Therefore, in my amendment, I propose that if the Government wants to encourage breastfeeding, it should provide greater protection by way of legislation to pregnant women and mothers of new-born infants as well as provide facilities to them. We think that not only can this set an example, it can also encourage the business sector to follow suit, thereby encouraging more mothers to breastfeed their babies. On ways of solving the problem of shortage of formula milk, we think that this can be regarded as a desirable approach which is also in line with the social and global trend.

President, I so submit.

DR PAN PEY-CHYOU (in Cantonese): President, "food inflation is fiercer than a loan shark". On hearing this, Members may think that I have exaggerated. However, if we look at the CCPI for March 2011, we will find that the year-on-year inflation rate was 4.6%. Although this figure looks benign, if we look at the food index alone, the situation is somewhat worrying because the overall food prices have risen by 6.3% in one year and the inflation in prices of food excluding meals away from home has also reached 8.8% in a year. The rises in individual food items are even more alarming: The price of marine fish increased by 28.4% in a year; the price of fruit increased by 12.3% in a year and the price of pork increased by 11.7% in a year.

If we look at the relevant figures from the wider global perspective, the increases in food prices are shocking. According to the information of the World Bank, in the year 2010-2011, global food prices have risen by 29% and in the short span of three months from October 2010 to January 2011, global food prices have even risen by as much as 15%. The statistics of the United Nations show that such a trend of increase started the year before. Between 2009 and 2010, the price of corn increased by 52%, wheat by 49% and soybean, 28%. Are the increases in these food prices not similar to the interest rate charged by a loan shark? Therefore, my description is by no means an exaggeration.

Under such circumstances, how is the life of the general public like? Let us take a look at the 2009-2010 Household Expenditure Survey conducted by the C&SD. For the whole territory, the household expense on food as a percentage of total household expenditure was about 27%, but 45% for a public housing household and 23% for a private housing household. It can be seen that the lower the income one has, the greater the proportion of the expense on food is in one's living. It can be said that under these circumstances, the poor are really in deep water.

Food inflation has many different causes. A lot of people speculated that it was a result of such factors as the global climate problem, natural disasters, the economy, the financial policy of quantitative easing, speculation, hoarding (both in kind or as futures), and so on. However, no matter what the real reasons are, what is certain is that global food shortage is presently the greatest threat in the world. We can see that there are political unrests in many places around the world. I understand that one of the major reasons is that the poor had no food. Hong Kong has not yet reached the stage at which poor people die of starvation,

but I think we must stay vigilant and tackle the problem of food inflation with due care.

I noticed that Mr WONG has put forward many proposals on stabilizing prices. However, he is perhaps looking at food inflation from the perspective of the agriculture and fisheries industry. Three Members of the Hong Kong Federation of Trade Unions (FTU) have proposed amendments and today, I would like to explore the welfare measures for alleviating food inflation. Although the Secretary has served as the Secretary for Health, Welfare and Food before, he is at present in charge of health and food (originally, I hoped that the Secretary for Labour and Welfare could also attend). Let me talk about some counter-measures first.

Firstly, we need to act quickly and really help the grassroots because better-off members of the public can still cope for the time being. Secondly, we need to adopt more ways to help various people and meet their need for food and thirdly, apart from short-term measures, we also need to formulate medium-term and long-term measures because we really have no idea for how long food inflation will persist and how serious it will be. After food prices have stabilized and the public have temporarily escaped from their hardship, the implementation of medium-term and long-term measures can then be suspended for the time being.

I will put forward several proposals. The first is meals for poor students. When the Financial Secretary carried out consultation on the 2009 Budget, the FTU also put forward this proposal to him. Why? The reason was very simple: The stage of schooling is an essential stage that children must go through in their development. We hope that they can get sufficient nutrition at this stage of growth, so that a good and healthy foundation can be laid for their minds and bodies. In fact, the Community Care Fund has also taken on board this view, so one of the 10 foremost tasks announced by it recently is to provide food subsidy to students but the requirements laid down are rather strict: First, the food subsidy is provided only to primary students and second, the food subsidy is provided only to students receiving full-grant school textbook assistance.

We consider this inadequate. First, let me talk about the issue of age. People who have children in their families or people who have raised children all know that the stage at which children eat the most and are prone to the feeling of

not having eaten enough is precisely the stage of adolescence and puberty. In this period, they need food the most and in this period, parents feel most deeply about the appellation of "Raptors". Therefore, we consider it absolutely necessary to relax the requirements on the meal allowance for students. First, the meal allowance should be provided to both primary and secondary students and second, students receiving the full- or half-grant school textbook assistance should also be eligible for the meal allowance. Apart from lunch, we hope that breakfast can also be subsidized. In that event, how much money in cost will be incurred? A rough estimate is that Hong Kong has to bear \$60 million each month on account of this.

The second proposal is to provide food subsidies to poor people. At present, only food banks provide food assistance. According to the relevant statistics, in the two years in which the food banks were in operation, each month, only about 1 900 people made use of their services. Compared with a city with a population of 7 million, 1 900 people are actually negligible. Is it the case that in our city, there are no people so poor that they need to seek help from food banks? Of course, this is not the case in reality.

Since I provide medical consultation in the out-patient clinics of hospitals, I have also come into contact with elderly people with this kind of need. For various reasons, some of these elderly people cannot receive Comprehensive Social Security Assistance, so they have to go out and collect cartons to supplement their living. I told an elderly man that there are now food banks that provide assistance in food. However, he said that after making enquiries, he had learnt that he was not qualified. After those qualified elderly people have received food for six weeks, what should they do then? Is there no need for them to eat anymore? Therefore, I think the application criteria laid down by the food banks are too harsh and really need relaxation.

Furthermore, apart from food banks, we believe the Government should also actively consider food vouchers and a cash subsidy for food. Food vouchers offer greater flexibility than food banks, as recipients can choose their food because for some people, such as elderly people with no teeth, diabetic patients, gouty arthritis patients or people with poor kidney functions, they have special dietary needs.

The third proposal is an anti-inflation bargain bazaar. Recently, some civil groups and the business community have also co-operated in organizing a

bazaar of this kind by selling staple foods at cost and it was well received by the public. Recently, a civil group organized bazaars for three weeks to sell food at several locations in the New Territories. There were 180 000 visits and a total of 70 000 sacks of rice and 30 000 bottles of oil were sold. Members of the public who went there to make purchases were very happy because they could save money. However, the organizer group could not hold more such bazaars in more districts due to a lack of venues. Therefore, I think the Government must help civil groups organize this kind of activities.

Food inflation is a very serious problem that we can by no means take lightly of it or ignore it. In the face of the present crisis, the Government must protect the living of the grassroots and tide over the difficult times with them together.

I so submit.

MR VINCENT FANG (in Cantonese): President, today's motion is "Alleviating the impact of food price inflation on the public". From its wording, it can be seen that food price inflation is already a reality to which there is no solution, so the Government is asked to find ways to alleviate the impact of this reality on the public. The simplest way is, of course, as suggested by Dr PAN Pey-chyou, "consider providing Comprehensive Social Security Assistance households, low-income persons and poor elderly persons, and so on, with additional food subsidies or food vouchers", and even for the Government to provide support in organizing short-term anti-inflation bargain bazaars for the public in the 18 districts in turn, or for the Government to provide "subsidies for staple foods", as proposed by Mr Ronny TONG. However, these measures are just like the sale of surplus stock by the garment factories in our industry. Customers who come to buy clothes have no choice and for the manufacturers, they cannot make any profit either, so there is little benefit to both parties and it may be better to find ways to lower the costs instead and produce more affordable clothes to meet public demand.

How can the costs be lowered? It is necessary to examine the whole production process. The first is raw material. There must be farmers who are willing to grow crops and the willingness of farmers hinges on whether or not the price offered is profitable. From farmers to consumers, the intermediate

processes include the harvest of raw materials, exchange rates, the cost of transportation, storage rental and manufacturing and if the products are put on sale in the market, product tests, distribution, shop rental, wages and advertisement are also involved and in this process, a lot of other costs will also be incurred but in the end, this piece of clothing may not find any buyer.

In saying so much at the risk of being considered long-winded, what point do I wish to make? Before a piece of goods reaches our esteemed customers, many links are involved and in each link, some cost is incurred. Moreover, many of them are beyond our control. Any change in cost in a link or any work process that we are compelled to add will affect the sale price of a product in the market, and the subject matter of our discussion today — food — is no exception.

The great majority of foods in Hong Kong are imported and they are already subject to many factors beyond our control, for example, several Honourable colleagues mentioned just now that due to the effects of supply sources, the exchange rate and radiation leak on the food supply chain, demand is now greater than supply. In fact, food importers and wholesalers in Hong Kong have all along been serving the public and they have borne a lot of the increases in costs, so that Hong Kong people can enjoy safe, diverse, quality and good-value food over a long period of time. Were we to transfer each and every increase in cost to consumers, I believe the food prices in Hong Kong today would be more or less the same as those in Japan.

However, since Honourable colleagues and the Government have to continually ensure food safety from "source to table", this necessitates additional work processes, so food costs keep rising and this also explains why each time the Government introduced policies related to food, I would always be very concerned and voice a lot of views. President, I wish to point out that to solve the present problem of soaring food prices, it is absolutely necessary to increase the supply, but reducing some of the processes in the middle, in particular, the cost of the processes within our control, is all the more essential.

Yesterday, the Panel on Food Safety and Environmental Hygiene held a meeting and the three topics were all related to food. The first was to examine the radioactivity level of the food from Japan and China; the second was to extend the import control on poultry eggs, including salted eggs and egg yolks and the third was to make compensation to the fishermen affected by the trawl

ban. Needless to say, we all know that these several measures will all have some impact on food prices, for example, the mooncakes to be launched in the near future, lotus seed paste buns and marine fish and shrimps will surely be more expensive.

President, I am not saying that in order to enjoy cheap food, no regulation should be imposed. Rather, I wish to point out that when government departments formulate policies, often, they can only see the legislative goals that they want to achieve but not the overall situation, and how many measures they have imposed on this trade so far and how great an impact the measures will have on public living and the economy. For example, the Food and Health Bureau only looks at how to ensure food safety but pays no heed to how many kinds of food have been barred from import, how many shops are facing closure as a result, how many people will lose their jobs and by how much the inflation rate will rise. All these have nothing to do with it. In the same vein, in the past, when I raised in the legislature the issues of waiving hawker licence fees and lowering the rents of food wholesale markets and other markets, the Secretary for food and Health responded that such matters were prescribed by the Treasury, so there was nothing they could do.

President, the Honourable colleagues from the FTU are really very concerned about this subject matter related to public living today. Three of its four Members have proposed separate amendments and of course, they all have their own demands and the Liberal Party supports the amendment proposed by Mr WONG Kwok-hing, which are the same as mine. However, since Mr IP Wai-ming's amendment proposes that breastfeeding be promoted and greater protection in legislation be provided to mothers and infants, I believe that after the campaign for a minimum wage, standard working hours and paternity leave, the goal will be to campaign for "breastfeeding by working mothers".

If baby-care rooms are set up in public sector organizations and facilities, for whom are they actually intended? Are they for working mothers who bring their babies along to work? Or will whole-day nursery services be provided and the mothers will breastfeed their babies every several hours? On reading this, I almost thought that Hong Kong had travelled back in time to the past era of state-owned enterprises on the Mainland, when care was provided from birth, through university education to employment. However, nowadays, these state-owned enterprises have all cast off these burdens because of the need to

enhance competitiveness and operational efficiency, so why does Hong Kong want to go backwards all of a sudden?

President, the employment rate among women in Hong Kong is the highest among developed economies in the world. Due to this manpower source, the Hong Kong economy was able to develop at high speed and family income has also increased for this reason. All along, the Liberal Party supports breastfeeding but regarding Mr IP's proposal, since it is not stated clearly what kind of protection the legislation should seek to provide, it is not possible for the Liberal Party to support it.

President, each time the minimum wage was discussed, I found that members of labour unions would never consider the costs of how many work processes would be affected. As in the case of the production process of garments mentioned by me at the beginning, each aspect therein, from farmers, logistics, production, testing to retail, are all affected by the minimum wage and so is the cost of food production. Therefore, what we are debating with Members is not just a single link but the overall picture. Frankly speaking, the inflation today has not yet fully reflected the increases in cost in the supply chain and those caused by human factors. That means, inflation will continue to rise and food will continue to get more expensive. We all have a clear idea who will stand to gain or to lose. The SAR Government has to co-operate with various stakeholders and take effective measures to lower food prices. This responsibility cannot be shifted onto other people and it is also the main reason for my proposing an amendment today.

With these remarks, President, I hope Honourable colleagues will support my amendment.

MR RONNY TONG (in Cantonese): President, the Chinese have a saying, "food is people's paramount concern". In the past, people thought that eating was very important to people's living but in society nowadays, this saying may carry another shade of significance, that is, food prices or costs are very important to the public in general, President, because this is an indispensable expense and generally speaking, this is the greatest challenge to the grassroots.

President, why do I say so? Because if the prices of other items increase, in some circumstances, it is possible for one to remain unaffected. For example,

if petrol is expensive, it is possible to take the MTR if we choose not to drive; if the fares of the MTR are expensive, one can take a bus; if the fares of buses are high, one can try to walk or ride a bike, so we can always come up with solutions. However, President, eating is indispensable, particularly for children, so expenses on food are a very important aspect of life. Some survey reports pointed out that in the case of grass-roots families in particular, the expenses on food often account for 14% to 15% of their family expenses, so this is quite a high percentage.

President, Hong Kong is a crowded place with little land and the economy consists mainly of the financial and service industries, so most of our food supply is dependent on imports and the Mainland is the main supplier of foodstuffs and meat in Hong Kong. President, the subject matter today brought up two important issues, the first being the monopolization of food import and the second is inflation.

President, let us talk about inflation first. Over the past year, many Honourable colleagues in the Legislative Council and I have kept reminding the SAR Government that it must pay attention to the inflation problem but all along, the SAR Government has shown little interest in this issue, saying that the rate of inflation has been low, standing at only 2% or 3% and recently, it was 4%. But judging from the present situation, it may reach 5% and the inflation for the whole year may even reach 7%.

President, when inflation comes, the grassroots are the hardest hit because as I said just now, it is impossible for human beings not to eat and the spike in food prices is often greater than other goods or services. President, the operators of many restaurants and fast-food chains all said that since the prices of goods from food suppliers had increased, in order to maintain operation, they had no choice but to raise prices. Some "very restrained" restaurants (President, I put "very restrained" in quotes because to many people, they do not seem to be very restrained) may increase prices by \$1 or \$2 or increase prices in phases, for example, increase the prices each month but as the owners of some cafeterias said, the prices of such basic foodstuffs as eggs could rise from \$80 per carton in 2010 to \$300 this year, whereas the prices of meat rose from \$500 to \$700. Moreover, the prices are still soaring. Coupled with the increases in shop rents every year, they had no choice but to wield the axe at customers, or it would be impossible to continue with their business operation. President, in order not to be affected by the price increases of cafeterias, some members of the public

would eat out less often and prepare their own meals at home instead. But President, that cannot really help a great deal.

We all remember that during the festive seasons, the Government would make a point of announcing that the supplies of poultry, live pigs and beef were all adequate, hoping that the public would not go on a panic buying, so that hawkers and shop owners cannot exploit the situation by raising prices drastically. Even so, increases in food prices are inevitable, for example, in times of weather changes, typhoons or rain, we all know that the supply of vegetables will certainly be strained and prices will rise immediately. When the prices of supply increase, there is actually very little that consumers in general can do. President, according to the information of the Vegetable Marketing Organization, the import prices of vegetables have been rising continually. Up to the first quarter of this year, prices have risen by 47% year on year. President, the increase was 47%. Even if one buys food and prepare meals at home, eating only vegetables but not meat, the expenses will still be considerable and some essential basic necessities and food, no matter if we buy them from vendors in markets or from supermarkets, are not cheap.

President, the Consumer Council (CC) conducts surveys on food prices regularly and at present, its website also carries a so-called "Price Watch" to provide to the public information on comparisons of the food prices of major supermarkets. According to a survey on increases in the prices of items in supermarkets conducted by the CC in 2008, it was found that the goods in supermarkets were not necessarily cheap and such food as staple food, oil or canned food that families in general like to buy may have increased by 10% to 20% compared with the previous year. For example, on the supply of beef, a survey conducted by the CC in 2009 in various districts found that the prices of beef per catty could differ by as much as \$10. The figures of the C&SD also show that the price of beef has increased by 20% year on year.

President, at present, it is actually not very meaningful to discuss in this Chamber if the public know that the prices of meat, poultry or seafood have increased by 10%, 20% or 50% now. As we said just now, 90% of our foods are imported, so we have practically no power to counter the trend of increase. Coupled with the fact that in the import of the great majority of basic foodstuffs, suppliers have to some extent or more or less monopolized the supply or the wholesale price, so it is practically impossible for retailers to find any room to

reduce prices. In the end, they can only transfer the soaring price increases to all consumers.

President, in order to reduce the pain of price increases on members of the public, increasing the supply and considering offering subsidies on the supply of staple food is actually an inevitable course of action. President, on subsidies, many places or countries have introduced this kind of measures to ease public hardship, so I wish to listen to the Government's explanation on why, given the abundant funds in the coffers, it still does not consider offering solutions by way of food subsidy, so as to help members of the public in deep water.

President, another solution is certainly to introduce more competition. Insofar as meat is concerned, to encourage using chilled food as a substitute can arguably be regarded as a way to increase supply and introduce more competition because according to the figures on imports into Hong Kong, the advantage of chilled food lies in its cheaper price. Moreover, the supply is stable, so if the Government exercises appropriate regulation, new supply will continually be available and in this way, the market will not be monopolized and the public can also make suitable choices according to their needs and affordability.

President, to provide food subsidy and to increase supply are not the only things that the Government can do or needs to do. In other areas, measures adopted by the Government to stabilize prices can also be applied to transport costs and storage rental, so as to help the public and provide subsidies or assistance in respect of these additional intermediate expenses, so as to maintain prices at a level acceptable to the public.

However, the most important thing is still to deal with monopolization. President, the so-called concentration rate of the food supply of our supermarkets is over 80%, so there is no fair competition in this area at all. President, I must say that it is definitely necessary to take forward the fair competition law to enable the public to have sufficient choices, particular in respect of food, and to maintain a reasonable price level through fair competition.

President, I hope the Government will consider these measures carefully to ease public hardship. Thank you, President.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the motion proposed by Mr WONG Yung-kan on food price inflation is a topic of great public concern recently. The United Nations Food and Agriculture Organization in its publication *The State of Food Insecurity in the World Report 2008* points out that high food prices have caused worldwide concern. In the G8 summit held in Japan in July 2008, leaders of the major industrial countries in the world were deeply concerned about the rise in food prices across the world, especially its threat to food security in the developing countries.

Hong Kong is an externally-oriented economy and more than 95% of its food is imported. The territory is hence most vulnerable to fluctuations in prices outside. According to information from the Census and Statistics Department (C&SD), in March 2011, the Composite Consumer Price Index (CCPI) for the basic food category grew by 8.8% compared with the same period last year. Other Asian economies are likewise facing the same pressure of food price inflation. With the weak US dollar and the likelihood that food and commodity prices around the world will rise, there is a possibility that inflation in Hong Kong will worsen.

In our opinion, the best way to maintain food prices at a reasonable level is to provide a steady, diversified and adequate supply of food. Our policy objective is to maintain a high degree of transparency and competitiveness in the food market and its trade. If the sources of food supply can be expanded so that there can be a greater variety of food, it will help maintain a sufficient and stable supply of food. The measures we have put in place can roughly be classified into three categories.

First of all, we have formulated clear hygiene and safety standards which meet international standards. We also strive to maintain an open and competitive market so that food imported from all over the world can be marketed and sold in Hong Kong according to market demand provided that they are fit for consumption.

Also, as the Mainland is the major supplier of food to Hong Kong and that applies especially to live and fresh foods such as vegetables, poultry and livestock, we have all along been keeping close ties with the relevant Mainland departments such as the Ministry of Commerce and the Quality Control,

Inspection and Quarantine Bureau, as well as the importing agents. We will monitor the state of food supply and ensure a stable supply. The Central Government attaches great importance to food supply in the Hong Kong SAR and assurance is given for sufficient supply of food to the people of Hong Kong on a regular basis.

In addition, we would encourage the relevant industry to explore new sources of food supply and build up networks of food suppliers across the world. Mr Vincent FANG has just talked about his views on that subject and they are completely compatible with ours. We suggest food traders and the public to seek to expand the variety of foods, that is, apart from fresh meat, they can consider buying chilled or frozen meat. Recently I paid a visit to Brazil and Chile and I briefed the food suppliers and government agencies there on the situation of the food market in Hong Kong, our food import regulatory regime and the demand and preferences of the people of Hong Kong for different kinds of food. Hong Kong is a major export destination for agricultural products from Brazil, Chile and such like South American countries. In terms of specific kinds of food like frozen beef, pork and chicken meat from Brazil and fruits and aquatic products from Chile, these countries are among the top five exporters to Hong Kong in these kinds of food. The governments and food industries in these countries attach great importance to the Hong Kong market. They have excellent equipment and facilities to churn out products of a high hygiene standard. They have expressed interest in supplying more quality and reasonably priced foods to Hong Kong. This will achieve a positive effect on stabilizing food prices in Hong Kong. Therefore, if the industry and importers of Hong Kong can procure foods from places with a stable supply and affordable costs, that will certainly be beneficial to the Hong Kong people.

President, as the Financial Secretary pointed out in the Budget, we are under the threat of inflation and pressure in this respect from within and without the territory is bound to mount. We are aware of the impact of inflation and rises in prices on the daily life of the public. And we will be glad to listen to views from Members. I will respond in greater detail in my concluding speech to the many views expressed by Members earlier.

Thank you, President.

MR FRED LI (in Cantonese): President, the C&SD released the CCPI figures on 21 April. According to the figures, overall consumer prices rose by 4.6% in March year on year. This was 0.9% higher than that in February, reaching a new high since August 2008. The prices of clothing, food, housing and transport have increased markedly. The prices of food rose by 6.3%, higher than the 5.2% increase for clothing and footwear, the 4.5% increase for housing, and the 6.1% increase for transport. According to the Food Price Index compiled by the Food and Agriculture Organization of the United Nations, the global food prices have in general been on a steady rise since the mid-1990s, in tandem with the continual recovery of the world economy.

However, the most important reason is the continued Renminbi appreciation. After the exchange rate reforms were introduced in 2010, the Renminbi has appreciated by 6%. Together with the previous aggregate rise, RMB 100 yuan can now exchange for more than HK\$120. The year before, the exchange rate was one to one and now, it has risen by 20%. Due to the linked exchange rate system, with the US dollar continuously falling against the Renminbi, the HK dollar is bound to be affected. This has resulted in rising prices of Mainland foods. Since more than 90% of Hong Kong's food is imported, the Mainland is our most important food supplier, especially in terms of fresh foods, where 94% of fresh pork, 100% of fresh beef, 92% of vegetables and 66% of eggs come from the Mainland. The Mainland also accounts for a large proportion of our cooking oil and non-staple foods. Thus, the food prices will continue to rise. The Government will have to deal with this thorny problem.

However, how should we deal with it? Of course, it also involves the question of Hong Kong's monetary policy. Today, we are not suggesting that we should delink the HK dollar and adopt a floating exchange rate — monetary policy is also part of the financial policy. This is not the subject of our discussion today. Since it is difficult to change the monetary policy, we can only focus on areas where the Government can do more.

Faced with the food price increases, Members are most concerned about the low-income groups affected. We wish to say something about the food assistance service projects. The data shows that under the present assistance projects of the food banks, people can only receive food support for up to six weeks. Moreover, only those in serious financial difficulties may apply for

long-term assistance from non-governmental organizations. Thus, they are unable to provide adequate help to those in need. The relevant organizations should relax the eligibility requirements for short-term food assistance service projects and extend the period of receiving assistance. At the same time, the food banks are also under the pressure of inflation, with individual foods such as frozen meat seeing a 50% rise in prices. Thus, we should support the operation of the food banks through different means.

The original motion mentions that we should identify more sources of supply. If this can be done, it is certainly a more feasible way among different suggestions to control food price inflation. But if the Government is to assist local food businesses and restaurants in looking for sources of supply, we have to consider this suggestion carefully. If the Government is involved in this kind of work, it will be intervening with the operation of the free market. Actually, the industry is more familiar than Government officials with the business network, and their business acumen is bound to be stronger than that of the Government. Thus, we wonder how much officials can help in identifying foodstuffs and the sources of supply. They have neither the professional expertise nor the business networks. Therefore, while we agree with the spirit of the original motion, we think that as long as the industry can find good and cheap foodstuffs and a stable and adequate supply, it would help somewhat to stabilize food prices. What the Government can do is to simplify the customs clearance procedures while ensuring strict inspection and quarantine.

As for the amendment proposed by Mr WONG Kwok-hing, it contains suggestions about the rental policy for public markets. We agree with its content in general and the need to enhance the competitiveness of public markets. A few weeks ago, I mentioned that there was dirty water dripping from the ceiling of Tai Shing Street Market. If these incidents can be avoided, we can reduce tenants' losses from the need to suspend business. It would also give the people more choices in buying their daily necessities and provisions. In terms of the rental policy for public markets, ever since the dissolution of the two Municipal Councils, the rental for public markets has been frozen for more than 11 years. After the 18-month period, if there is still no consensus on the rental policy due to different interests, it will continue to be frozen. But no matter how much longer it will be frozen, a new rental policy will be formulated one day. In

the view of the Democratic Party, one should adhere to the following principles in formulating the relevant mechanism:

- (1) The mechanism proposed should have the support of the community and tenants;
- (2) The relevant level should be within the means of tenants; and
- (3) The additional income from implementing the mechanism should be used to improve the facilities of the public markets so as to enhance their competitiveness.

If tenants accept the mechanism proposed, the Government should submit different methods of rental adjustment to them. Only after consultation should it decide on how to use the average rental as the basis for rental adjustment, or to make such adjustment based on the median rental.

As to the question of whether rates should be collected, it is certainly an issue left over from the past. During the years of the two Municipal Councils, neither council collected rates from the tenants. After the Food and Environmental Hygiene Department (FEHD) was set up 11 years ago, it continued with this practice. In 2008, Report No. 51 of the Director of Audit concluded that this was inconsistent with the terms of the lease of stalls. The latest situation is that the FEHD is discussing the valuation of public market stalls with the Ratings and Valuation Department (RVD), and the FEHD continues to pay rates for the tenants. The Democratic Party hopes that after consultation with the RVD, the Government would let the public know as soon as possible if the relevant arrangements will be changed.

We support both the original motion and the amendments. However, I have one small objection. I do not understand why the three members of the Hong Kong Federation of Trade Unions (FTU) had to propose three amendments, instead of letting one of them propose the amendments. The only explanation is that they will each have three more minutes to speak. This is not what we wish to see. If a political party If six out of eight Members of the Democratic Party propose an amendment, each of us will have three more minutes to speak. Actually, we do not think this is right. Nor is it a healthy practice. I so submit.

DR LAM TAI-FAI (in Cantonese): President, food price inflation certainly has a great impact on people's lives. The low-income group may have to eat less, or eat inferior or cheaper foods. They might even have to cut other expenses in order to have enough money for food. This will cause their quality of life to decline. As Mr Ronny TONG pointed out just now, "food is the first necessity of man". If one cannot even eat properly, life will not be fun anymore.

President, food price inflation is also a great burden on small and medium enterprises (SMEs). In the first quarter of this year, there was an 8.9% year-on-year increase in imported food prices. When this is added to the newly introduced minimum wage and soaring rents, SMEs have to face increases in both raw materials and operating costs. Their owners are barely able to keep their businesses going.

Due to the weak US dollar, the global liquidity surplus, and the strong demand in the emerging economies, the global commodity prices have soared, of which the rise in food prices has been the most marked.

It is probably only the big corporations that can cope with such a situation. With reserves and capital, they can buy in bulk to lower costs. With their own properties, they are not afraid of rent increases. Since they have a large market share, they can sell more for smaller margins of profit. In contrast, SMEs employ a small number of staff and have low purchasing power. They have no idea in what aspects they can cut costs. Thus, food price inflation and price increase of supplies have greatly increased the pressure on SMEs, especially on the catering industry and some small businesses. The Government must take their survival seriously. Otherwise, I fear that in a few years, Hong Kong will only be left with chain restaurants, fast-food restaurants and convenience stores, as well as large importers that monopolize the market. The people will then have no choice but to eat expensive food. That is why I fully support Mr WONG Yung-kan's original motion today.

However, President, I noticed that in Mr IP Wai-ming's amendment, he proposed to set up dedicated counters in maternal and child healthcare centres for selling milk formulas. I disagree with this. This is obviously asking the Government to compete for business with the private sector, which will be very embarrassing for the Government. If the Government really sets up sales outlets

to sell milk formulas, which brands should be offered? Should they sell all brands available? How should the brands be chosen? How should the prices be set? Should they be lower or higher than market prices? How do we ensure the supply in the market? If the prices are cheaper than market prices, how are the private milk formula retailers going to survive?

If the Government does this, it will be interfering with the operation of the free market. To put it bluntly, the Government would be colluding with the milk formula merchants or suppliers. This means asking the Government to take the lead in monopolizing and encourage collusive price-fixing to hurt small businesses. If Mr Gregory SO is promoted to a Secretary he might have to sue Dr York CHOW, resulting in an internal strife. I wonder what the Chief Executive would do then.

President, in such a civilized place as Hong Kong, people cannot even get baby formulas. This is an international joke. What should the Government do? It should help baby formula retailers introduce different types of baby formula, so as to increase supply and ensure there are enough stocks. It is just like the case of beef. We can import frozen beef from the Mainland so as to give people more choice. This is how we can really help the people fight inflation.

President, while inflation is bad, what is even worse? It is when SMEs cannot do business, lack competitiveness and cannot make a profit, and when the people have no means of living, earn too little and have no means of fighting inflation. Frankly, if SMEs and the people have no business or no means of living, they will be having a hard time, even if there is zero inflation. The Government must have effective measures and policies to help SMEs improve the current business environment. It can no longer solely rely on the property market and the financial industry like in the past or at present. It must give strong support to the industries and the service industries and enhance the competitiveness of SMEs, so that they can create more and diverse job opportunities. I do not think we can fight inflation effectively merely by issuing \$10 billion worth of iBOND. The Government must expedite the economic integration between Guangdong and Hong Kong, optimize the operation of CEPA and create more business opportunities.

In addition, in respect of the revitalization of industrial buildings, it must be done flexibly so that businesses can obtain new premises and create more employment opportunities. The Trade Development Council should give more concessions to SMEs for its exhibitions and provide them with more booths, so that they can expand their business opportunities and business. Moreover, the Government must strengthen its policies to support enterprises in commercializing the achievements of scientific research.

As for people's means of living, "knowledge can change one's fate". The Government is well aware that the number of local university places is not enough. It should resolutely increase resources and the number of local university places, so that young people will be better equipped to find employment and be more competitive.

Moreover, the Government should consider relaxing the grant of business licences, such as increasing the number of hawker licences and set up more pedestrian precincts. Last week, I went to Taiwan and saw their flourishing night markets. Many of the businesses there are small businesses. The Government could follow the example of some Southeast Asian Governments, such as what Taiwan does with its night markets, and help people set up businesses, so as to increase their chance of upward social mobility. This is the way to tackle the inflation problem at root.

Finally, regarding some government infrastructural projects, I hope that they can commence as soon as possible without any delay. This way, more job opportunities will be created so that people will have work and income. Only then will they have money to fight the runaway inflation.

President, I so submit.

MR WONG YUK-MAN (in Cantonese): President, in Hong Kong, apart from property prices, food prices are also constantly rising. Among the 2010 CCPI figures, food prices increased by 2.4%. While the well-fed high officials worry about suffering from diabetes and high pressure, low-income families are forced to haggle over every cent and keep a tight rein on expenditure on food. Mencius said, "In your kitchen there is fat meat; in your stables there are fat horses. But

your people have the look of hunger, and in the wilds there are those who have died of famine. This is leading on beasts to devour men." We did not expect that something like this would happen in an advanced region like Hong Kong in the 21st century.

In 2009, the SAR Government set up food banks so that those in financial difficulty can be given food to meet their pressing needs. This year's Budget has specially allocated \$100 million to keep the food banks running. But with the steady rise of food prices, even the food bank system is facing grave challenges.

Those who apply for food assistance mostly come from low-income households, while many of them are helpless elderly people. The foods provided by the food banks are mainly canned and instant foods, with fewer fresh foods. This is not enough to keep the elderly and children in need healthy.

LU Xun once wrote, "Our present priorities are, first, to survive, second, to be clothed and fed, and third, to develop. If anything gets in the way, be it ancient or modern, man or ghost, ancient books or records, 100 rare Song books or 1000 rare Yuan books, fine jade or the fabled chart from the Yellow River (HeTu), a golden god statue or a jade Buddha, Chinese medicine pill or powder or ointment with a secret recipe, we shall stamp it all down."

In Hong Kong today, who stands in the way of people struggling to survive, getting clothed and fed and pursuing development? It is inflation that is fiercer than a tiger. Who caused it?

At present, the live pigs in Hong Kong are distributed by Ng Fung Hong, Guangnan Hong and Hong Kong Agriculture Special Zone Development Association. Prior to 2007, it was monopolized by Ng Fung Hong. Earlier, they were accused of jacking up prices by the coalition on fresh meat. The supermarket industry is monopolized by PARKnSHOP, Wellcome and China Resources Vanguard. The marketing strategies of the former are often controversial. Every Friday, you can see their fake bargain advertisements in the newspapers. They also make commercials to smear the public markets intentionally or unintentionally. As for the fast-food restaurants, they are either Café de Coral, Fairwood, Maxim's or McDonald's. After The Link Investment Trust (Link REIT) took over the shopping malls of Hong Kong's public housing

estates, it increased the rents steeply. It is not just raw materials and foodstuffs that have become more expensive. When we order a milk tea in a Hong Kong-style cafe, it now costs an extra \$2. The monopolization of trades and industries has added fuel to the flames of food price inflation. Ordinary people, especially the grassroots, simply have no choice.

The Government has always condoned the monopolization of various industries and sat by and watched large chain stores driving small shops out of business, as well as letting consumers who have no choice be victimized. The majority of these monopolized businesses are owned by big corporations. Ng Fung Hong is a subsidiary of China Resources Enterprise, while PARKnSHOP is under the Hutchison Whampoa Group. Wellcome is owned by Dairy Farm International Holdings, whereas The Link REIT's largest shareholders are international hedge funds. They are only interested in making money and corporate social responsibility and the lives of ordinary people are naturally not their concern.

Nevertheless, the largest monopolization of local food supply is exercised by none other than the People's Republic of China. So far, this great and powerful nation has failed to guarantee food safety for its people. This is shameful indeed. When I was overseas recently, I heard some Chinese say that they would certainly not buy any food made in China in supermarkets.

There are all kinds of problem foods or so-called "tainted foods" in the Mainland, such as sewer oil, lean meat powder and hotpot additives. The latter is particularly notorious. If you put one drop in a hotpot, you can sell it for dozens of dollars. This is nothing new.

Two weeks ago, *Nanfang Weekend* revealed that government authorities such as the Beijing customs have set up special bases for growing vegetables themselves. Even government departments and senior cadres are wary of these problem foods. Scared of these "tainted foods", they have to set up special bases to grow their own vegetables. However, the majority of ordinary citizens and even Hong Kong people have to rely on these foods from the Mainland, including vegetables, chickens, ducks, geese and eggs. What should be done?

Recently, when we discussed the restrictions on imported bird eggs at a meeting of the Panel on Food Safety and Environmental Hygiene, we found that

the majority of bird eggs come from Mainland China. This means that most bird eggs in Hong Kong are from Mainland China. As we know, there are many fake eggs in the Mainland. This is quite scary.

With the "kidney stone milk" incident embossed deeply on their memory, many mainlanders have turned to milk formulas from Hong Kong and Japan, causing a run on infant formulas. Spotting an opportunity, Mainland "couriers" have stocked up on infant formulas, shipping them to the Mainland to sell at high prices. Not only have the infant formula prices been pushed up, stocks have also run out for local babies. Thus, Mr WONG Yung-kan has proposed bringing infant formulas within the regulatory ambit of the Reserved Commodities Ordinance. Earlier, the nuclear incident in Japan had caused a run on salt in China and Hong Kong, which was an international joke.

At present, only rice is listed in the appendix of the Reserved Commodities Ordinance. Even if the seven basic necessities, that is, fuel, rice, oil, salt, soya sauce, vinegar and tea are listed in the appendix, it can hardly prevent future runs caused by food problems on the Mainland.

To ease food price inflation and the problem of food shortage, we can only develop the local agriculture and fisheries industry to achieve a balance in food supply. The SAR Government has never had a concrete, specific and long-term plan on agriculture and fisheries. Instead, it has remained indifferent to the agriculture and fisheries industry, so that they have been operating in tough conditions without any help.

Actually, the most important thing is that the food price inflation has been indirectly caused by Hong Kong's high land price policy. Dr LAM Tai-fai also talked about this earlier, but he did not directly mention this point. Another thing is monopolization. The competition law now being drafted only targets the SMEs, and does not affect the big enterprises that engage in monopolization. This is a question we have to face while discussing food price inflation. However, we can do nothing about it. That is why the poor can only (*The buzzer sounded*) like Mencius said, Hong Kong is a society that leads on beasts to devour men, President.

MS STARRY LEE (in Cantonese): President, everything is getting expensive. Like property prices, inflation is always on the rise. Its sharp spiral has taken ordinary employees by surprise. The other day, the Hong Kong Government made the rare move of revising the inflation forecast in the Budget within a short time, from an annual 4.5% to 5.4%. It shows that there is rampant inflation. Some economists have pointed out that the Government's estimate is rather conservative and that the inflation rate for the year will at least be 6% to 7%.

If we look at these figures carefully, we will find several characteristics that are even more worrying for the low-income group. First, the Consumer Price Index (CPI)(A) that reflects the expenditure of low-income households has increased at a greater rate than CPI(B) and CPI(C). Second, low-income households are more sensitive to increases in food expenses. This year, the rate of food price inflation is higher than the overall inflation rate. Third, low-income households try to save every penny and seldom eat out. However, the prices of purchased foods have increased at a higher rate than the prices of dining out and the overall food prices. Thus, seen from different angles, the "inflation tiger" this year is coming straight at the low-income households.

President, to escape from the inflation tiger's mouth, the middle class has other options. It can buy stocks or buy flats to combat inflation, or invest in inflation-linked retail bonds (iBond) issued by the SAR Government. However, these may only go a little way to counter inflation and are not too effective. But for the grassroots households, they do not even have these options. Apart from stocking up on foods, "group purchase" and "comparing prices", it seems there is not much they can do to help themselves. As some suggest, maybe they have to add more potatoes and corn to make a meat pie, so that it would appear larger.

Due to global fluctuations in food prices, Renminbi appreciation and the high inflation rate in the Mainland, food price inflation may continue for a long period. In other words, the worst time is yet to come.

President, apart from letting the people figure out a way, the Government has an unshirkable responsibility to combat inflation, since this issue directly affects people's lives and is linked to social harmony. However, it seems the Government does not have any additional measures to alleviate the pressure of

food price inflation on the public, aside from relying on CSSA and the food banks that provide six weeks of food every six months.

Just now, different Members have made several concrete suggestions. I wish to make some additional remarks about public markets.

Most grass-roots households shop at public markets. But the facilities at public markets are inadequate. Coupled with the rental policy, this makes it impossible for public markets to compete with large supermarkets. It is difficult to lower the prices at public markets to attract more patronage.

At present, the rentals of public markets are set according to the open market level, without consideration for their social functions, such as the supply of fresh produce to the public, and providing the grass-roots population with employment and a means of living. Thus, the rental level of public markets should adequately reflect their unique social functions and ensure the competitiveness of the stall lessees.

At present, there are quite a few housing estates in new towns, such as Tin Shui Wai and Tung Chung. The public markets at public housing estates used to be established by the Housing Authority (HA). They were publicly run markets, so to speak. But since The Link REIT came into existence, the shopping centres and facilities of the HA have been bought up by it. Their rentals have also kept rising because they are operated according to commercial principles. With the presence of large supermarkets nearby and the lack of competition from public markets, the local food prices have soared.

Apart from its public market policy which warrants improvement, the Administration should also create some indices, since food is a basic necessity of the people. While the C&SD and the Social Welfare Department have compiled different figures on inflation that reflect the rise and fall of food prices, they are not direct figures that show the share of food expenses in the income of grass-roots households. The Monetary Authority is concerned about the percentage share of residential mortgage payments in the income of the average household, in order to monitor the healthy development of the property market. Since food prices are equally important to grass-roots households, the Government can consider adopting a similar approach and create a set of indices

to reflect the share of food expenses in the income of grassroots households, so that the public can monitor the situation.

However, there are many methods. I will not go into the other methods now. But in my view, what poses the greatest obstacle is not the lack of methods, but how to change the Government's mentality. In the past, we always thought that the secret to Hong Kong's success was the "free market" and the principle of "big market, small government". As a result of this mentality, the Government did little to help the people combat inflation, especially food price inflation. We should look at some countries and cities that uphold the "free market" principle, such as Japan and South Korea. Actually, every region will monitor the supply of everyday necessities that they regard as essential. When there are price fluctuations, they will try to find out if there is any "price fixing", or increase supplies through various means to stabilize prices.

As we can see, "free market" could not be used as an excuse forever, due to the factors mentioned by me, such as the continuous rise of the Renminbi and prices of raw materials. As Hong Kong continues to maintain the linked exchange rate, the pressure will keep growing. Thus, the SAR Government must take the above views put forward by Members into account.

There is another factor that will impose great pressure on certain food prices. When more and more food safety problems on the Mainland are revealed, many mainlanders will come to Hong Kong to buy foods with quality assurance. Milk formula is one typical example. We are pleased that Hong Kong's products and milk formulas are reliable. However, every time mainlanders set their eyes on Hong Kong's market and products, the same problems will occur. Pregnant women coming to give birth in Hong Kong is one problem. Milk formula is another. The supply in Hong Kong's market is not enough to meet the demand of the Mainland. Thus, the SAR Government must find solutions expeditiously in terms of these essential foods. They are everyday necessities and we must not sit by and do nothing when Hong Kong people are being directly affected.

President, I so submit.

MR TOMMY CHEUNG (in Cantonese): President, during the past few years, the catering industry found that food price inflation in Hong Kong had kept

rising. From the double-digit growth last year, it has risen to nearly 50% or 100% recently. The highest inflation has been seen in the price of cornflour, for instance, which more than tripled from \$135 for a 25 kg sack in 2009 to \$450 per sack now. White eel, a favourite of many people, sold for \$36 a catty in 2009. Now, it costs \$96, having increased by 1.6 times. In late 2009, 27 kg of cooking oil cost \$140. Its price increased to \$150 late last year. While this does not sound too much, it has increased to \$200 in April this year, by nearly 43%.

President, if I spend all seven minutes reading out the food prices, you might all be shocked. These are only the wholesale prices in the catering industry. I believe the prices at retail stores would be even scarier. At least, the percentages will not lie. I am sure the percentages in your minds are more or less the same.

After all, 99% of foods in Hong Kong are imported, of which 90% come from the Mainland. With the appreciation of the Renminbi and the fall of the US dollar, the prices of imported food to Hong Kong have soared, and the people have no choice but to "swallow" the increase.

I have repeatedly said that ever since Dr York CHOW became the Secretary for Food and Health, he has been trying to "sap" Hong Kong's live poultry, agriculture and fisheries industries. We will pay for this one day. That is why I very much support one proposal of the motion, that is, to rebuild the local agriculture and fisheries industry. In the long run, increasing Hong Kong's food supply would help us to withstand external economic impacts. It is also low-carbon food, because there is no need to rely on air or road transport all the time.

Over the past years, Hong Kong has been developing modernized and high value-added agricultural products. However, I think the Government should seize the opportunity and act quickly to increase the scale and resources. It should greatly expand the training programmes for talents for the agriculture and fisheries industry, and promote high value-added agricultural products through education and publicity, in order to help create local brands.

Undeniably, there is not much land for the development of agriculture and fisheries in Hong Kong. So the production will be limited. Thus, the Government must also actively assist the industry in expanding the sources of

food and goods supply, in order to increase food supply with a two-pronged approach.

Faced with the price increase of fresh meat from the Mainland, the Administration should expeditiously discuss with the Mainland on introducing more suppliers to import live pigs and live cattle to Hong Kong, as well as providing more information on supply to enhance competition and transparency, so as to ensure an adequate supply of live pigs and cattle to Hong Kong and stabilize prices.

President, actually, live chickens are also a problem. The Bureau Director has unilaterally exercised his power to ban the import of live chickens to Hong Kong. Actually the risks are very low now. If I remember it correctly, the avian flu infection chance is only seven out of ten thousand. Even so, he continues to maintain the import quota of live chickens at a very low level. And if my memory is correct, it is just ten thousand something or a few thousand a day. If we can increase the live chicken supply or allow our farms to raise more chickens, I believe the prices of live chickens or even frozen chickens will fall immediately. For what we have now is man-made food price inflation.

However, these suggestions may not be able to meet the most pressing needs. The simplest and most effective method is the Liberal Party's proposal — to lower the various registration fees and application fees imposed on the food industries.

President, you might think, or the Secretary might say that they only account for a small proportion of our costs. However, I wish to point out that this measure would benefit not just the industry. Faced with soaring wages, rent and foodstuff prices, the catering industry is already operating with great difficulty. It has to raise prices and pass on part of the rising costs to consumers. However, it dares not shift the burden onto consumers 100% for fear of driving them away, in which case the loss will outweigh the gain. If the authorities are willing to lower the above fees, the industry will certainly reduce the price increase so as to retain consumers. This will relieve the burden on businesses and consumers alike.

With soaring prices, it is the grassroots who suffer the most. The authorities must come up with targeted measures. In the past two years, I have

moved motions to urge the authorities to expeditiously enhance the competitiveness of public markets to counter the rent increases by The Link REIT and the monopolization of supermarkets. The authorities must understand that in order to relieve the burden of living on the grassroots, the most direct way is to start with the public markets where they shop for their daily necessities.

Actually, the authorities have been arguing with the stall lessees of public markets for years over rent, rates and air-conditioning costs. As a result, the public market policy has remained at a standstill. This is not in anyone's interest. The Audit Commission will only keep raking up the past and criticize the authorities for wasting public money.

We must know that if the public markets are well run and able to attract customers, they will have a balancing effect on the overall market. The Link REIT shopping centres nearby would not dare to increase rents arbitrarily. It will also help to break the vicious circle of inflation.

I urge the authorities to kick the Administrative Officers' old habit of doing everything by the book. At this crucial moment, they should take a step forward to relieve the financial burden on the grassroots. With the aim of lowering the operating costs of stall lessees of public markets, it should resolve past differences with them in order to create a win-win situation.

Finally, I would like to say a few words about Japanese food. As Japan's radiation crisis gradually eases, people's confidence in Japanese food has been restored. It just needs a few pushes in the right direction. On Monday, a group of Japanese restaurants will launch a "Love Japanese Food" promotional campaign to whet people's appetite for Japanese food again.

Yet, as the radiation leak in Fukushima in Japan continues and radiation has entered the natural environment, we still need the authorities' long-term surveillance as a gatekeeper. In particular, they should enhance the inspection of foods from the Mainland and Japan. If there is inadequate manpower, the authorities can apply to the Legislative Council for funds. I am sure colleagues will support such applications.

Nevertheless, as I have mentioned in my speeches in the Council before, the greatest problem is that Japan is facing an unprecedented national disaster.

Not only does it have to reduce its food exports, it needs to buy from other regions as well. During the past two months, the local catering industry has experienced a further rise in food prices due to the Japanese radiation crisis.

I would like to remind the authorities that *(The buzzer sounded)*
President, I so submit.

MR FREDERICK FUNG (in Cantonese): President, the Hong Kong Association for Democracy and People's Livelihood (ADPL) is always concerned about the problem of inflation. As for me, I have raised three questions related to the issue in the current Legislative Session. This is because we know well enough that the rise in prices will affect most the life of people from the lower and middle classes. The grassroots are most disturbed by the problem. We hope that by raising questions on the related issue, the Government can be urged to keep a close watch on inflation and launch timely measures aiming at addressing inflation, hence easing the pressure of inflation on the people. Food prices are a major concern for the ADPL, for the reason that the grassroots hope to reduce the financial burden on their families by buying cheaper food imported from the Mainland. They can hence maintain the quality and level of their living. In addition, since the wages earned by the grassroots have remained low and there has been little growth in their wages, any fluctuation in food prices will lead to inflation and it is the grassroots who will be the first ones to bear the brunt.

President, from the macro perspective, this surging inflation now is caused by the series of exceptional fiscal measures rolled out by various countries to bail out financial entities on the brink of bankruptcy and stimulate dying economies during the financial tsunami. An example of these measures is to pump massive quantities of cash into private enterprises and banks. The quantitative easing initiative introduced by the United States on two successive occasions has led to side-effects which are beginning to surface. There are abundant funds making quick movements in the markets and massive hot money flowing into emerging markets like Hong Kong. The result is a great surge in asset and commodity prices now.

President, based on various data and an analysis of the prevailing trends, there is a growing risk for an upward movement of the inflation rate. It is unfortunate that the assessment made by the authorities on inflation was too conservative. As a result, the forecasts were often revised upwards. To a certain extent this will affect the strategies used by the Government in devising measures to address the situation, their scale and timing. An example is the inflation rate forecast made in the Budget for the coming year is 4.5%. I have questioned its accuracy before. This is a much underestimated figure. If we look at the overall situation, including the appreciation of the Renminbi, the sharp rise in inflation on the Mainland and the weakness of the US dollar and such factors, as well as the wave of price hikes and inflation figures, it would be easy for us to find out that the risk for a sharp rise in inflation is very high indeed.

According to the latest information released by the National Bureau of Statistics, China, the inflation rate on the Mainland has remained over 5% for two successive months. It hit a 32-month all-time high in March. The economic data for April made public recently show that the CPI has risen by 5.3% and it remains higher than the 4% target set by the Central Government. Food prices have seen the greatest increase and they are 11.5% higher than that in the same period last year. For Hong Kong which relies heavily on food imported from the Mainland, it will certainly be affected. Economists have predicted a long time ago that inflation on the Mainland will push the inflation rate in Hong Kong to 6% this year.

Last Friday, the Hong Kong Government released the latest figures and with drastic price increases in housing, food and imported goods, inflation in Hong Kong in the first quarter this year was as high as 3.7%. The prices of imported food in the first quarter saw a steep year-on-year increase of 8.9%. That is comparable to the rise in food prices on the Mainland. The Government therefore had to face the reality and revised the annual inflation rate of 4.5% as predicted in the Budget upwards to 5.4%. However, as public utilities like the tunnel companies, the tramways, buses, taxis and even the MTRCL have increased their fares and tolls, it is clear that inflation will only worsen. President, I think this prediction of a 5.4% inflation rate may have to be revised upwards again. Therefore, the authorities must devise tactics for the short, medium and long terms so as to cope with the impact of inflation on the economy and the people.

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

As the Hong Kong dollar is pegged to the US dollar, the authorities are therefore deprived of an effective fiscal instrument to contain inflation. The practise of raising the interest rate to curb inflation, for example, has been proved effective in many countries. But we cannot do that. This is the fundamental reason why the Hong Kong Government can only sit helplessly and watch inflation worsens. Perhaps the authorities look at any change to the linked exchange rate as a very sensitive issue and it is because of this fear of causing a trauma to the market that any discussion related to it is refused. But in the long run and with the ever-rising international status of the Renminbi, the close trading relations forged between the Mainland and Hong Kong, as well as the extent of internationalization of Hong Kong, and so on, we must give serious thoughts to the idea that Hong Kong should have a currency pegging system which is more macro in nature and have a wider coverage. We can think of pegging to a basket of currencies, then we can regain the basic policy tools of regulating our economy. This is an issue which those in power should contemplate and explore in future.

Of course, we hope that the employers can raise the salaries of employees so that they are financially more capable of coping with the surging inflation. But with a mere increase in salaries by 2% or 3%, the effect of the increase is totally offset by inflation. Though our so-called economic growth is 7.2%, the actual fruits of economic prosperity shared by the public are largely eaten up by inflation.

It is obvious that the only remaining method to ease inflation is to resort to some "downstream" methods, that is, the authorities should use some direct subsidy or cash to ease the inflationary pressure on the public. Therefore, the ADPL and I urge the authorities to roll out the many schemes and measures to combat inflation as promised by the Government, including the subsidy on electricity tariffs, payment of two months' rental for public rental housing tenants, transport allowance and increasing the funding for food banks, paying out \$6,000 cash to every permanent resident of Hong Kong aged 18 or above and issuing inflation-linked bonds, and so on. More relief measures should be devised in

line with the worsening inflation and these should be introduced in the light of the inflation situation.

I so submit.

DR JOSEPH LEE (in Cantonese): Deputy President, with regard to today's motion, the original motion moved by Mr WONG Yung-kan clearly states his hope for the adoption of some measures to reduce the burden of food price inflation on the public.

As for the amendment moved by Mr IP Wai-ming, I am a bit surprised that he added a proposal to "set up dedicated counters in all maternal and child health centres in Hong Kong for selling milk formulas". While asking the Government to enable parents to buy milk formulas at fixed sales outlets, he also urges the Government to proactively promote breast-feeding by stepping up publicity on the advantages of breast milk.

I find this a bit strange. Speaking as a nurse, I can say that maternal and child health centres — I think the Secretary knows best and Dr PAN probably knows it too — are mainly there to provide antenatal examinations for expectant mothers and organizing some talks. The chief purpose of these talks is to teach mothers the advantages of breast-feeding and different ways of using milk formulas. Of course, the final choice rests with the mother.

After delivery, the mother will take her baby to a maternal and child health centre. If she chooses breast-feeding, the centre will instruct her how best to go about it. If she chooses to feed her baby with milk formula and a bottle, the centre will try to see what it can do to help. I am surprised that this amendment specifically demands to set up dedicated counters in maternal and child health centres for selling milk formulas. I am really baffled. Why should this be done?

We are not talking about whether milk formula is better or breast milk is better. I am saying that it is totally inappropriate for a government or public organization to do these things on certain occasions. As Dr LAM Tai-fai said, this may give people the impression that the Hospital Authority (HA) or the

Government is short of money, and has to make some money out of selling these milk formulas.

According to this logic, why should the obstetrics and gynaecology departments under the HA not do this? The HA can also sell milk formulas. There seems to be some error in logic here. In this respect, I do not quite understand Mr IP Wai-ming's suggestion and I have not heard him explain it either. Because of this part, I will oppose Mr IP Wai-ming's amendment.

Let me come back to the main subject today, that is, food price inflation. I very much agree with the measure proposed in point (b) of the original motion moved by Mr WONG Yung-kan, which demands rebuilding the local agriculture and fisheries industry. During the few decades from my childhood to adulthood, I have seen the agriculture and fisheries industry gradually I would not say shrinking, because I am not engaged in that sector, but I feel that it is being increasingly disregarded.

I wonder if Members have seen a news footage today about the emergence of private farms in the Mainland, where people grow their own foods, thinking they will be safer. It involves the question of food safety. I believe the Government also has a responsibility in this respect. Due to the continual appreciation of the Renminbi, food supply may become more and more expensive.

Mr LEE Cheuk-yan was worried that Mr WONG Yung-kan would lose his voters. Of course, the Government's job is not to canvass voters for Mr WONG Yung-kan, but it can encourage more people to participate in the development of Hong Kong's agriculture and fisheries industry or to grow crops. These industries are undoubtedly a source that can ensure a stable food supply in Hong Kong, so that we will not have to rely solely on external markets. I hope the Government can step up efforts to actively develop Hong Kong's agriculture and fisheries industry. This is not about canvassing voters for Mr WONG Yung-kan, but about ensuring a more stable food supply for Hong Kong. Thank you, Deputy President.

MR IP KWOK-HIM (in Cantonese): Deputy President, the problem of inflation is not only an economic problem about a rise in prices, it is a problem related to political and social stability. In the wake of the financial tsunami, there has been a strong recovery in the economy of Hong Kong. But behind the façade of prosperity, there is a problem of inflation which grows from bad to worse. The quality of life of the grassroots does not improve but declines. Even though the minimum wage is implemented, the increase in wages is far behind the rise in inflation. This applies especially to food prices which are constantly rising. In the case of pork, the retail price has risen by as much as 50% from \$28 a catty last year to \$42 a catty this year. The grassroots find themselves almost unable to afford buying pork. The Government must not underestimate the grievances of the people in this respect.

In February this year the SAR Government released the Budget and it predicts that the inflation rate for this year to be 4.5%. But as the financial year has commenced for more than a month, the Government in a rare move revised its forecast of the annual inflation rate, from the original 4.5% to 5.4%. The increase is almost 1%. In other words, it is clear that measures proposed in the Budget to combat inflation are lagging behind the real situation. What is more disappointing is that, as of today, the Government has yet to act in the light of the latest situation in inflation.

Close to 80% of the food in Hong Kong comes from the Mainland. The rise in the CPI on the Mainland and the appreciation of the Renminbi have pushed food prices in Hong Kong upwards. As Hong Kong faces the problem of imported inflation, there are not many measures that can be taken. However, there are certain things that should be done, for example, the Government and the business sector should find other sources of supply so as to reduce the impact of Mainland prices on Hong Kong. Let us look at some figures.

In 2010, China launched its sixth national census. Findings show that 49.7% of the population live in the cities and towns. In 2000, the proportion was only 36.1%. In other words, within this short span of 10 years, about 14%, that is, 180 million people have moved from the villages to the cities and towns. This implies a reduction in labour. However, city dwellers who rely on food produced in the rural areas have increased drastically. In this situation of a reduction in supply and an increase in demand, the rise in food prices has thus

become inevitable. As there are structural factors accounting for the rise in prices of Mainland food, it is likely that food price inflation will become a norm.

Therefore, one way to ease food price inflation in Hong Kong is to expand the sources of supply and import food from other areas such as Southeast Asia. This will reduce the reliance on imports from the Mainland. Another way to counter inflation is to find other kinds of food, such as introducing more kinds of chilled food. At the beginning of this year the Food and Health Bureau introduced chilled beef from the Mainland. The retail price of chilled beef is about 20% cheaper than fresh beef. This will help the people cushion the impact of inflation. The SAR Government should introduce more types of chilled food or even frozen food to enhance the people's choices.

Also, the SAR Government can reconsider giving assistance to the opening up of farmlands in the New Territories. The benefit of doing this is to provide more fresh produce and reduce the impact of external fluctuations in prices. The rapid development in urbanization in Hong Kong has resulted in the conversion of more and more farmlands into residential property developments, hence accounting for the decline of agriculture. In 1999, local agricultural produce took up 12% of the local market; but in 2009, the share dropped to only 2.4%. As a matter of fact, the demand for organic produce in recent years has grown and the SAR Government should follow the footsteps of Singapore and study the methods of vertical farming. This will enable the use of a limited amount of land to get a larger or a maximum output in agricultural produce.

Recently, the Singaporean Government succeeded in developing its first vertical farming system. When this system is used in a lot measuring six sq m to grow vegetables, the harvest is found to be at least four times more than the harvest from a lot of the same size using conventional methods of farming. So the Singaporean Government has set a target to achieve an output in two or three years' time which equals to 10% of the total local consumption, hence reducing the reliance on imported vegetables. I am sure Members can see that even though Singapore is smaller than Hong Kong, its Government has the vision to use innovative farming technologies to produce food for the country and reduce the reliance on imported food. I think the SAR Government should have this kind of strategic vision. We can see that the SAR Government lags far behind other countries in this respect. The representative from the fisheries and agriculture industry has been fighting all along for this. I hope the Secretary can

listen more to views in this respect so that we can counter inflation by coping with the problem in the supply of non-staple foods.

I so submit. Thank you, Deputy President.

MR ALAN LEONG (in Cantonese): Deputy President, the Civic Party supports the original motion today and all the proposals made in the amendments. The only proposal which we find somewhat difficult to accept is from Mr IP Wai-ming's proposal which suggests selling milk formulas in all maternal and child health centres to local residents. Of course, we understand why Mr IP makes such a suggestion, which is entirely meant to ensure an adequate and uninterrupted supply of milk formulas to local babies. But we are afraid that this suggestion would be very complicated at the practical and operational level. Moreover, though it is said that only local parents are allowed to buy such milk formulas, it is difficult to rule out the possibility that some local parents will be induced into buying these products and reselling them. So it is hard for us to lend our support to this suggestion. Apart from that, we hope that the authorities can seriously consider all the other proposals made by Members so that the heavy burden borne by the general public in the dire situation of food price inflation can be eased.

In the remaining time I will make special mention of the role played by public markets in reducing the expenses on food of the public. Deputy President, I believe you would agree that it is hard for public markets to be immune from imported inflation. But due to their business environment, that is, most of them are located in public housing estates where some sort of neighbourhood operation is adopted, prices can be kept at a relatively low level. So with respect to helping the public cope with the pressure of inflation, the Civic Party thinks that the Government should adopt some innovative thinking and provide more convenience in business operation to these public markets managed by the Food and Environmental Hygiene Department (FEHD).

If the Government tells this Council via the Secretary that the Government has affirmed the role played by public markets in the provision of affordable food of good quality to the grassroots, and that its functions are really recognized, then the Government should do its best and be more flexible and adaptable in terms of rental determination, or allowing these stalls to sell or provide more types of food

or commodities. This would be better than adopting a rigid method of management. But the authorities must beware of something, why would I say that? Because for some time in the past, these markets managed by the FEHD used to have the rentals pegged to the market value and, fortunately, thanks to the strong opposition from Members of this Council, the markets are now managed in a more reasonable manner. These markets should never be run like the shopping malls managed by The Link REIT. If it is the case, then not only will the people feel a much greater pressure from food prices and under soaring inflation, but the small business operators and stall owners will also find business more difficult. They will be driven out of business. Therefore, since the Government agrees that public markets do have a role to play, I hope the Secretary can be more flexible in managing these markets so that they can really play a part in easing the pressure felt by the public under inflation.

Moreover, I wish to mention in particular that the Civic Party very much supports the Government in setting up some markets in remote new towns such as Tin Shui Wai and Tung Chung. Residents in these places strongly urge the authorities to set up markets managed by the FEHD in their housing estates. To reiterate, if the Government really thinks that public markets can help the public cope with the pressure of inflation, then it must set up markets in these new towns and put them under the management of the FEHD. This would be helpful.

Lastly, I wish to mention a new direction for consideration by the Secretary and the executive authorities. The listing of The Link REIT has really posed a great challenge and pressure to the purchasing power of public rental housing tenants. So if markets under the FEHD can be managed in a flexible and adaptable manner as I have mentioned, there would be a possibility that we can urge The Link REIT to set its rentals in a more reasonable manner. This move will in an indirect way lessen the pressure felt by the public in the face of food price inflation and inflation in general. I so submit.

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, inflation in Hong Kong has been heating up continually and prices for all items of goods and services related to clothing, food, housing and transport are geared for a surge. The grassroots are feeling a heavier burden, and their life is very much affected. According to information from the C&SD, the CCPI in March this year has risen

by 4.6% compared with that of last year. But if only the price increases in food and provisions are counted, the increase in prices is close to 10%.

Take the examples of fresh pork and vegetables which Hong Kong people often buy, a pound of ordinary grade lean pork used to cost about \$20 last year, but the price has risen to \$30 now. The rate of increase is about 50%. On the price of a tonne of imported fresh vegetables as shown by the information supplied by the Shenzhen port, the average price of a tonne of vegetables imported into Hong Kong has risen significantly by 43% compared with that in the same period last year. As for eggs which we often consume, the rate of increase is very much the same. In the case of a pack of 12 eggs from Thailand, the selling price has risen from \$16.9 one year ago to \$24.9 now. The rate of increase is also close to 50%.

Of course, this drastic rise in food prices in Hong Kong is related to inflation on the Mainland. This is especially the case when most of the food imported in Hong Kong comes from the Mainland. It is therefore hard for Hong Kong to stay immune. I believe measures like the introduction of more competition and enhancing market transparency will help stabilize food prices and supply.

However, these measures may not achieve instant effects. If we are to solve this urgent problem, I think that the most direct way is to grant some allowance to sustain people's basic standard of living. This kind of allowance can be in the form of cash or food coupons, such that people, especially the grassroots or elderly persons, can be prevented from being starved because food prices are so expensive. I think such an allowance should be set up outside of the existing CSSA system and the vetting and approval criteria should be more flexible. As to question of whether funding from the Community Care Fund should be sought, I would think that it can be discussed later.

In addition, I think the service of the food banks should be enhanced. This would include relaxing the application period and the eligibility, and such a service should be made permanent. At present, these food banks which are run on funding from the Social Welfare Department only allow the applicants to obtain free food for six weeks. And each time when renewal is desired, the applicant has to undergo some cumbersome application formalities. This is not a people-oriented approach at all. Moreover, the service being provided is only

temporary in nature and it is only when this food assistance service project is made permanent that the food problem faced by the grassroots can be solved.

Deputy President, there is a Chinese saying which says: "Eating is of paramount importance in people's life". I think most of us must have heard it. But nowadays people misinterpret this saying, thinking that the Chinese love good food and they are gourmets. Actually, there is one more sentence which goes before this saying of "Eating is of paramount importance in people's life", and that is, "A benevolent ruler attaches to his subjects paramount importance". When these two sentences are read together, the meaning is: "That the ordinary people should have food to consume is of the utmost importance and it should be made the concern of the country." Officials of the SAR Government should face up to the issue of food price inflation squarely. They should ensure that the people can buy food at a reasonable price and try to reduce the pressure exerted by inflation on the ordinary people.

Deputy President, the motion today is "Alleviating the impact of food price inflation on the public". Food prices will rise or fall in tandem with supply and changes in the exchange rate. But rents for residential and commercial properties are more likely to go up than down. This is also the main reason why it is difficult for the grassroots to free themselves from the shackles of poverty. Can the Government consider the idea of rent control?

Deputy President, I so submit.

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

MR TAM YIU-CHUNG (in Cantonese): Deputy President, inflation is currently very serious and the financial burden borne by the public is always increasing. In an attempt to meet the daily needs of living, the grassroots are leading a frugal life. In Yuen Long and Tin Shui Wai where the majority of the population is grassroots, due to factors like geographical remoteness and bad urban planning, the problem of high prices is much more serious than other districts. In March this year, inflation in food prices in the Consumer Price Index (A) saw a year-on-year increase of 8.9%. A survey by the DAB shows that almost 90% of the interviewees from Yuen Long and Tin Shui Wai experience a 15% or more

increase in their expenses on food. Those who say that their food expenses have increased by 25% or more take up 26% of the interviewees. The findings of the survey also show that 78% of the interviewees think that prices in Yuen Long and Tin Shui Wai are obviously higher than those in other districts. Only 18% think that prices there are comparable to prices elsewhere. Those who hold the opposite view only take up 3.7% of the interviewees. It can therefore be seen that prices in Yuen Long and Tin Shui Wai are generally high because of the remoteness of these places and the limited number of choices available in shopping.

Among the residents I often come into contact with, many of them has been forced to lead an extremely frugal life because of the problem of inflation. There is this old lady aged 67 and surnamed NG. She is now living off her past savings. She points out that food prices in Yuen Long are high. Even when it is not in the typhoon season, the selling price of choi sum is as high as some \$20 a catty. She is therefore leading a very hard-up life. So normally every time when she buys vegetables, she will divide her purchase into two or three portions and cook one portion at a time. There is also this Mrs CHEUNG who lives in Tin Shui Wai. She has a family of four and her family income is about \$20,000 a month. About four or five years ago, her husband gave her \$4,000 to \$5,000 a month to buy food for the family, and she still had money left. Now this would not do and each month she has to spend up to \$7,000 on food.

Food prices in Tin Shui Wai are higher than those in Yuen Long. This is due to the unsound town planning of Tin Shui Wai. There are no hawkers' stalls, small shops on the streets and such like shopping facilities for the general public in Tin Shui Wai. On the contrary, the mainstay of the consumption pattern in Tin Shui Wai shopping malls. The mode adopted is monopolization by syndicates or large chain stores. There is a population of 300 000 in Tin Shui Wai, but there is not even a market managed by the Food and Environmental Hygiene Department (FEHD). Since the people do not have any choice, they are forced to buy expensive commodities. Now when residents of Tin Shui Wai want to buy food, they can only go to shopping malls run by The Link REIT or the supermarkets. But in the absence of competition, food prices in these places are generally high. In the case of prices of vegetables, they are about 20% higher than those in the markets run by the FEHD or street-side stalls in Yuen Long. Residents in a bid to save on daily expenses will have to spend at least half an hour in transport and go to Yuen Long to buy groceries. Some people

cannot afford the transport fares and so they ride on bicycles or even walk all the way there. In the case of that Mrs CHEUNG I have just talked about, she shopped most of the time in the vicinity of Tin Shui Wai last year. Each week she would go once to the market managed by the FEHD in Yuen Long. But in the past few months, the number of times she would go to another district to buy food has risen to three or four times a week, and she would buy food enough for two days. This is because she has made a comparison of the food prices. In the case of pork, the selling price per catty in Yuen Long is \$6 to \$8 per catty cheaper in Yuen Long than in Tin Shui Wai. For a mandarin fish, it costs \$35 on average in a market run by The Link REIT. But it is only sold for \$25 in a market run by the FEHD. So the food for a meal if bought in Yuen Long would save some \$10 to \$20. Although people will not find the food so fresh, this is because they have to buy food for a few days, they have no other alternative if they want to make savings.

In order to address the problems of high prices and limited choices in Tin Shui Wai, the Government must undertake long-term planning and introduce various types of business operation there. We hope that the Government can expeditiously build some markets or cooked food centres run by the FEHD and add shopping facilities for the common masses. In addition, while taking into account public hygiene, the Government should consider setting aside places in Tin Shui Wai for the hawkers to display their goods and do business. The Government should be flexible in dealing with temporary land use matters and set up flea markets for short terms. These would enable the grassroots to buy daily necessities at cheaper prices. A study done by the FEHD some years ago showed that public markets served important social functions, including providing fresh food for the general public and solve the problems of employment and livelihood among the grassroots. But in new towns like Tin Shui Wai and Tung Chung, the planning shows an absence of matching facilities. Markets run by The Link REIT do not serve such social functions and the rents there are always increasing. As a result, prices are far beyond what the grassroots can afford. Therefore, the Government should undertake a review of the existing policy and add markets run by the FEHD in all new development areas and offer concessionary rentals, thereby easing the rise in prices in these areas. With respect to this, I hope that the Secretary can consider this again, because these allegations that markets run by the FEHD are good for nothing (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

MR TAM YIU-CHUNG (in Cantonese): are in fact unfounded.

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, I wish to thank Mr TAM Yiu-chung for talking about the plight of people living in his constituency.

Today, when I went to work I walked past the Kai Yip Estate market and I witnessed with my own eyes a tragedy. There was this old man with frosty hair who was caught red-handed by two ladies in charge of a stall that he was stealing some gourds. The two gourds which he took were in fact very small. That this old man had come down to such a pitiful state as to steal gourds is in fact a moving tragedy of our society. I think those of us sitting here would have more food uneaten in a meal or thrown away than these two miserable gourds. That an old man with frosty hair has to endure all the indignity and disgrace and kept in captivity in the police station is in fact pathetic.

When our Chief Executive was offended on one recent occasion and he claimed he had been bumped against and had to see the doctor, a member of our League of Social Democrats had given him a box of grouper pieces in corn stew. Actually, these so-called grouper pieces are some fried cheaper kinds of fish and they are not really grouper meat. We can just guess if our Chief Executive would ever eat this kind of meal. Or if he ever knows that there are people who have to eat this kind of meal? I do not think he would eat such food because every time he invites the DAB people to a night snack, they would have barbecue. And they are all eating good food. They roast fishes like the conger-pike eel. Just what on earth is our Chief Executive doing? The only job he does is to think up a so-called My Home Purchase Plan for the public.

The impression which the Chief Executive gives me is that he is worse off than a frustrated mandarin in ancient China. I have quoted more than once from a poem by SU Shi. It was written when he saw some prisoners on New Year's Eve. The poem goes like this: "Holding my brush, I face them with tears, / Grieved for those prisoners in chains. / Lowly men trying to get some food, / Fell into the law's net, knowing no shame. / I myself cling to my meagre salary, / Missing one chance after another to retire. / Don't speak of wise man and fool, /

Each of us only schemes for a meal. / Who could set them free for a time? / I am silent, humbled before the ancients." As a great man of letters and a mandarin, SU Shi had his frustrations, and even so he had sympathy for those people who committed petty crimes. What the poem says "Lowly men trying to get some food" is precisely what I saw about that old man today. He committed an offence by stealing some gourds and that was what he had done. The poet was ashamed of himself because he said that he clung to his "meagre salary", powerless to change the reality.

What good deeds has the Chief Executive done? Who made him stick to his way? Let me talk about something which this Council has done to assist the Chief Executive and that accounts for his so-called achievements. We can begin by talking about the municipal markets. In those days someone proposed to make the markets run on a commercial basis and they should be privatized and function like a commercial market. That proposal was passed here and members of the two Municipal Councils were tasked with monitoring the work of the municipal services departments. And it was right here in this Council that the idea to scrap the two Municipal Councils was mooted and passed into law. Who were the people who championed the cause of shopping malls and connived at companies like Wellcome, Park'n Shop and China Resources Vanguard to sell "wet stuff" in their supermarkets? It was the Government and it made the Urban Council unable to enforce public hygiene laws.

On the question of the passage of the proposal to list The Link REIT, this Council was in full support of it. Those people who chide the Government here today are the same ones who voted in support of the Government at that time. Why do they go back on their words and deny what they did in the past? Why do they deny in future what they are doing now? Why do they deny that they have helped the Government? This Council is deplorable. It does not have any memory. It is helping the Government to fleece the people. What a shame had SU Shi been able to know of that!

On this weird case of the shortage of infant formulas again, the Mainland dissident ZHAO Linhai is crying out for the injustice suffered by the children of Beijing and all over China. He is also crying out for the injustice done to us. This is because the largest infant formula manufacturer is making contaminated infant formulas to poison the people. But ZHAO Linhai is put into prison and those who have spoken for the injustice he has suffered are condemned. Hence

the present state of affairs is caused. Our government is conniving at the developers who reap indecent profits, and the syndicates which do the same thing. Has it ever occurred to it that since Hong Kong relies so much on imported food, can the agriculture and fisheries industry be developed here? Can Hong Kong develop its own infant formula industry and sell the products overseas, instead of importing infant formulas from Japan and other places for these merchants to sell in Hong Kong? Has the Government ever taken any concrete action on such things?

The Government knows it only too well that the people are not leading a comfortable life. They suffer because food prices have gone up, that the Government rents are too high, that there is imported inflation because of the linked exchange rate, and because of all sorts of reasons. They cannot even afford a decent meal. In spite of all these, the Government allows the public utilities to raise their prices. The MTRCL raises its fares by 2.2%. There are cries for raising the prices everywhere in Hong Kong. The result is that people are using more and more of their disposable income that is supposed to be spent on food. And the Government is even calling a stop to the production of Home Ownership Scheme flats and refuses to produce more public rental housing units. This adds to the miseries of the people. The people are like locked up inside a pressure cooker. Just what kind of a government is that?

Let me tell you, Donald TSANG, you may get a dish of grouper pieces in corn stew tomorrow. You may get away from it this time, but you cannot be a fugitive for the rest of your life. I now ask you this question and you had better get prepared for the answer. Tell us what the price of a dish of grouper pieces in corn stew is in each district of Hong Kong. Donald TSANG, you must do that assignment.*(The buzzer sounded)*

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Yung-kan, you may now speak on the five amendments. You may speak up to five minutes.

MR WONG YUNG-KAN (in Cantonese): I am grateful to the five Members who propose their amendments respectively today. First of all, I wish to talk about the proposal made in Mr WONG Kwok-hing's amendment on enhancing the competitiveness of public markets. The DAB lends its support to that proposal. All along we have been talking about the story of success of the Tai Po market. Apart from being modernized, the market offers better shopping conditions. It is more comfortable and beautiful than before. The sanitary conditions there are better. The mix of stalls in the market is rational. There are also some stalls featuring certain commodities with some unique characteristics and also some first-rate cooked food stalls. These all serve to attract more patrons. However, I think the most successful thing about the Tai Po market is that the building and arrangements of the market are the result of discussions held between the Government and the groups of stall-owners, the relevant District Council and local bodies. All the details were shaped through discussions and deliberations. So the success of the Tai Po market is a formula. The Government should continue to follow this formula and enhance the co-operation between the public markets and the tenants so as to make the markets more competitive. Actually, this market in Tai Po is mentioned in many of the speeches made by Members.

I agree very much with the amendment by Mr IP Wai-ming, especially on the work to popularize breast-feeding. As for the suggestion to sell infant formulas in the maternal and child health centres, I would think that the Government should consider the issue from many aspects.

The amendment of Dr PAN Pey-chyou mentions various methods which can help the public cope with inflation. I support all this. But I wish to add that the Community Care Fund can consider providing more diversified kinds of food assistance to people in need. These may include the setting up of community canteens, and so on. On the question of the high prices of infant formulas, the authorities can devise specific schemes to help the babies, taking into account their nutritional needs.

I wish to use this opportunity to tell Dr PAN Pey-chyou the reason why I always talk about the agriculture and fisheries industry. This is because all the food materials that we have now, irrespective of expensive and affordable ones, are all produced from raw materials that come from the agriculture and fisheries industry. Even milk is part of the agriculture industry. So we should never belittle this industry. It is closely related to our life. So the point is not on the value of its products but on the important role it plays in stabilizing prices. And many Members of this Council agree with this argument put forward by me.

Since there is so much land in Hong Kong, can the Government consider using some land, including the outlying islands, for the development of the agriculture and fisheries industry? I have actually raised the issue in a meeting. There should be sound planning in Hong Kong, such as on the number of pigs, chickens and cattle to be produced each year. Such things can be included in the planning. And the land we have now can be used for the development of these operations. Under the present circumstances of inflation and imports from the Mainland getting more and more expensive, the Government should undertake more studies on that, with a view to helping stabilize prices and providing assistance to the people.

The amendment of Mr Vincent FANG is made for his sector. We understand that there are many small and medium enterprises (SMEs) in the food industry which face the problems of rising wages, rents and prices. Their business environment is very difficult. If the Government can help them, I am sure that would be a very good way of giving support to the industry. It can also help these SMEs stay in business and thrive.

As for the amendment by Mr Ronny TONG, we would lend our support to it in principle. In addition, I wish to thank the some 10 Members who have spoken and offered their firm support to my motion. I hope the Government can understand that the problem of food can lead to As seen from history, there were some kings who lost their power because of the problem of food, that is, the people did not have food to eat. Likewise, although we have not yet come to that stage, should our Government not prepare for the rainy days and look carefully into this issue? I think that it is a very big issue indeed. Now the Government has got huge amounts of reserves and it has got a lot of money, but if it only hands out cash — I said 10 years ago that cash handouts were not the best solution, only teaching people how to make a living is the best solution. It

would be the best solution if all the people have got a job. What is so difficult with giving away money to the people? It is because you can simply hand out as much money as you have got. But the people will still grumble after getting the cash handout. There will still be grievances no matter if money is handed out or not (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

MR WONG YUNG-KAN (in Cantonese): So I hope that the Government can do more.

DEPUTY PRESIDENT (in Cantonese): Speaking time is up.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, Members have made many suggestions earlier on how to stabilize food prices. And as a matter of fact, these suggestions are consistent with the objectives of the measures which we have put in place. I will first brief Members on the assistance we give to the industry in exploring sources of food supply and efforts on promoting the local agriculture and fisheries industry to enhance its productivity. Then I will respond to a number of suggestions made by Members.

I believe Members would agree that in order to reduce the impact of food price inflation on the public, the sources of food supply must be expanded. This would spread the risk brought about by unstable conditions in different places and further enhance market transparency, hence facilitating the free flow of information.

As I have said in my previous speech, if the sources of food supply can be expanded, this can lead to a greater variety of food and will help ensure a sufficient and stable supply of food. Therefore, we encourage the industry to seek new sources of food supply and build up networks encompassing food suppliers from various places. We also encourage the public and the industry to expand the spectrum of food varieties. As an example, apart from fresh meat,

chilled and frozen meat can also be considered. Since 2006 chilled pork from the Mainland has been imported into Hong Kong. Last year, a total of about 18 200 tonnes of chilled pork was imported into Hong Kong. That represented a rise of 17% compared with last year. And chilled beef from the Mainland was introduced to Hong Kong about six months ago. There are altogether eight shipments of chilled beef to Hong Kong and all have undergone inspection and launched onto the market. Chilled beef from the Mainland is well-received by the public and this gives the public an option other than fresh and frozen beef. We have reached a consensus with the State General Administration of Quality Supervision, Inspection and Quarantine in the hope of importing more chilled beef from qualified Mainland processing plants in order to cope with the market demand.

Moreover, in order to maintain a high degree of openness and competitiveness in the food and produce market and trade, we reached a consensus with the Ministry of Commerce in 2007 on liberalizing the live pig import market. The number of live pig agents was increased from one to three companies. After some three years of operation, the arrangement has proven to be effective and the supply of imported live pigs has remained stable.

Some Members are concerned about the supply of live pigs and cattle and the supply of live chickens during traditional Chinese festivals. In this regard the SAR Government has been keeping a close dialogue with the Ministry of Commerce on the Mainland. Last year, we reached a consensus with the Ministry of Commerce on the annual number of live poultry and livestock to be exported to Hong Kong. This would ensure a stable supply of live pigs, cattle and chickens to meet market demand. During the past few years, the amount of live pigs imported into Hong Kong has remained steady, being kept at about 4 500 live pigs a day. As for live cattle, the amount supplied has also been kept at a steady level with a daily supply of about 70 to 80 cows during the first four months this year.

In terms of live chickens, the supply from Mainland and local chicken farms can largely meet market demand. At times there are even a surplus number of chickens in the wholesale markets. We understand that some wholesalers and retailers hope that the number of live chickens from the Mainland can be increased on the eve of traditional Chinese festivals, however, in June 2008 when the Government had temporarily increased the number of

imported live chickens to 50 000 before the Tuen Ng festival, avian flu virus was discovered in four markets. So in order to protect the health of the public, the Government must exercise greater prudence. Moreover, on the few occasions of traditional Chinese festivals from 2009 to the present, although the number of imported live chickens has not increased, the supply can generally be considered sufficient. The supply of chilled chickens and frozen chickens during the same periods is also sufficient, plus the fact that the public is slowly changing its dietary habit. For this reason, we think that it would not be appropriate to increase the supply of live chickens before the festivals, so as to prevent overstocking by the retailers which would otherwise increase the risk of avian flu incidence.

We will continue to provide assistance to the relevant industry to explore new sources of food supply. As I have just said, I have just come back from a study tour to Chile and Brazil. The countries have shown a positive attitude to increasing the supply of food to Hong Kong. It is believed that very soon we can see more meat and other kinds of food imported from these two countries. We will continue to use food hygiene and safety standards that are clear and in compliance with international standards. We will strive to maintain an open and competitive market and facilitate the import of food from places around the world.

Enhancing the amount of food supplies and transparency in price information will help the free flow of market information. In view of that, the Agriculture, Fisheries and Conservation Department (AFCD) collects data on the supply and prices of live and fresh produce every day. The data are then uploaded onto the website of the AFCD and broadcast to the public on the radio. The Vegetable Marketing Organization (VMO) and the Fish Marketing Organization (FMO) will upload onto their websites the latest and previous average wholesale prices of major marine fishes, aquatic products (including chilled and live aquatic products) and vegetables in their fish and vegetables wholesale markets. Also, the public information system for the supply of live pigs and their auction prices is also highly transparent. Market operators and members of the public can browse the website of the Food and Environmental Hygiene Department (FEHD) to find out the relevant information. In the retail sector, the Consumer Council will publish its price surveys from time to time in order to help the public make informed choices.

Support given to the sustainable development of the local agriculture and fisheries industry can supplement food supply in Hong Kong. The Government will continue to promote the development of the local agriculture and fisheries industry and give full play to our advantages in natural resources and quality brands. But I have to point out that merely depending on the production of the local agriculture and fisheries industry will not fully meet the demand of the 7 million people of Hong Kong. The main sources of our food supply are still imports. As we are to develop the local agriculture and fisheries industry, we hope to increase production and enhance product quality by improving the technology employed. This will provide more choices of fresh and quality local food to the people of Hong Kong.

The AFCD has been helping the industry develop the technologies in organic farming and controlled environment greenhouse intensive farming in recent years. Improved species are introduced to raise the production and quality of local crops. In recent years, the premium species developed include organic strawberry, cherry tomato, pumpkin, red-flesh small watermelon and green-flesh cantaloupe, and so on. Under the organic farming support service offered by the AFCD, the number of organic farms in Hong Kong has increased from 70 five years ago to 164 now. The amount of organic farm produce supplied to the territory has increased from about 2.5 tonnes a day to 4.5 tonnes now. It is estimated that the average production value has doubled or tripled during the period. The VMO will continue to help the industry develop more markets.

As for the fisheries industry, we have talked about that earlier. The AFCD and the FMO engage in branding work under the Accredited Fish Farm Scheme. This Scheme highlights the quality and safety of local fishery products. Participating fish farms are required to adopt a set of good aquaculture practices, and quality assurance tests, including analysis of drug residues and heavy metals in fish, which are conducted to ensure that all cultured fish meet food safety standards before they are sold in the market. All accredited fishery products carry tags bearing the label "Accredited Fish Farm Scheme" for easy recognition. Currently, a total of 100 fish farms have participated in the Scheme since its inception.

In promoting the development of fishery technology, the AFCD has been identifying appropriate new culture species with good market potential. After

the introduction of the Jade Perch for culture in local fish farms, the AFCD has succeeded in hatching Jade Perch eggs to produce fish fry. The AFCD plans to set up an experimental fish fry farm with a view to helping fish farmers secure a stable supply of quality fish fry at lower costs.

Some Members mentioned our inspection of foods from Japan. Ever since the massive earthquake which struck Japan on 11 March, causing tsunami and leaking of radioactive substances from the Fukushima nuclear plant, the Centre for Food Safety has since 12 March enhanced its surveillance of all fresh foods imported from Japan, including vegetables, aquatic products and dairy products. As of today, the Centre has inspected close to 9 000 samples of food imported from Japan. Apart from the three samples taken in the early stages of the nuclear incident as we have mentioned that are found to carry excessive iodine-131 content, the results of inspection carried out on all other samples show that they have met the standards. We will continue with the work in this area. We think that it is important to let the public know in a highly transparent manner of the monitoring work carried out and the action taken by the Government when after some unexpected incident has occurred as this will help dispel the worries of the public and the industries concerned.

The said example also shows that tracking the sources of food in a food incident quickly is enormously helpful to identifying the cause of the problem, restoring public confidence in food safety, maintaining a stable supply of food and reducing the impact on the operation of the food merchants. The Food Safety Ordinance which was passed in end March in the Legislative Council has introduced a food tracking mechanism. It ensures that the sources of problem food can be tracked down quickly after the occurrence of a food incident. This will facilitate the authorities in addressing the problem in an effective manner.

Many Members have mentioned the problem of milk formulas. The supply of milk formulas is a topic of public concern in these past few months and questions have been asked on the topic many times in the Legislative Council. Mr WONG Yung-kan suggested that studies should be conducted to bring infant and follow-up formulas within the regulatory ambit of the Reserved Commodities Ordinance. I understand the reasons behind Mr WONG's proposal, but we have to study whether this would be the best method to make any adjustment in the supply of milk formulas.

Ever since there were reports of a shortage in the supply of milk formulas, we have been keeping close contacts with the major suppliers, the Hong Kong General Chamber of Pharmacy and the major retailers. The major suppliers of milk formulas agree that meeting the demands of infants in Hong Kong is their major responsibility. And they have been keeping a close watch on the market and when necessary, they would make arrangements to increase the supply of milk formulas in Hong Kong and ensure a stable supply. A major cause of the shortage of milk formulas in Hong Kong is the sharp rise in the demand from Mainland residents for infant formulas sold in Hong Kong. There may be bad elements in the retail sector who allegedly have received bribes and hoarded milk formulas. This may also be a reason why supplies became short for some time in the market. After recent operations by the Independent Commission Against Corruption, it is believed that the market will get a correct message and order would soon be restored to the market.

The number of complaints received by the Consumer Council in April was much less than that for the first three months of this year. It proves that the shortage has eased. We will monitor the market situation and take action as appropriate.

The World Health Organization (WHO) and many experts have pointed out that breast milk is the best food for babies. We should encourage mothers to breast-feed their babies. This will also reduce the reliance on milk formulas. It is also a fact that the ingredients found in different brands of milk formulas are largely similar. All along the supply of milk formulas in Hong Kong overall has been sufficient. A short-term shortage in supply is only limited to certain brands of milk formulas. So we think that the measures taken are able to stabilize the supply of milk formulas effectively. If milk formulas are brought into the regulatory ambit of the Reserved Commodities Ordinance, the problems we see may not be solved. On the other hand, an extra burden may be imposed on the suppliers and add to their costs, hence driving up prices. So we will continue to keep a close eye on the market and if necessary, we will consider adopting other measures which will help stabilize the supply of milk formulas.

As for Mr IP Wai-ming's suggestion of selling milk formulas in the maternal and child health centres run by the Department of Health, not the Hospital Authority, we think that this would not be appropriate. I hope

Members can understand that this would breach the principles upheld by the WHO and we should not do this kind of work.

Some Members have mentioned the issue of markets. On markets, the subject has been discussed in the Legislative Council many times before and we think that public markets run by the Government may serve an indirect purpose of stabilizing food prices. In fact, public markets do have an important social function and role to play and, that is, to provide fresh food to the public as well as opportunities of employment and earning a living to the grassroots. All along the Administration has been committed to formulating and implementing various measures designed to improve the business environment in the public markets and make them more competitive.

At present, the stalls in the public markets managed by the FEHD have a lease rate of 85%. We will study how other measures can be taken to make public markets more competitive so that tenants can do more business.

The rentals of stalls in public markets were lowered by 30% in 1998 and have been frozen ever since. The Government has just announced that the freeze in rental will be extended for a further period of 18 months until 31 December 2012. The FEHD is now renewing the lease agreements with tenants of stalls in public markets. We will study the mechanism for rental adjustment of public markets and the arrangements for charging air-conditioning fees. The affordability of the tenants will be considered in this course.

Members have mentioned whether there can be other arrangements or different rentals. These are very complicated issues and we cannot make a decision on these matters at this moment. We will study what can be done to foster business in the markets and ensure fair competition.

Members have suggested a freeze in the rentals of public markets across the territory. They have also suggested that the Government should revise downwards all the fees charged on the food and catering industry, such as the small amount of application fee for exemption applications under the nutrition labelling scheme and the registration fees payable by food importers and distributors under the Food Safety Ordinance. All along fees are charged by the Government in accordance with the full cost recovery principle. Fees for the related services are subject to regular reviews. For example, when the Food

Safety Ordinance was in the process of enactment, the Government had hired consultants to assess the impact of the new law on the business environment. According to the findings of this assessment, the compliance cost payable by the industry would only form a minimal part of their operation costs. This is because the registration fee for three years is only \$195 and the renewal fee for the next three years is only \$180. We have waived the charges payable by food importers and distributors who are registered or licensed under other Ordinances.

Lastly, I wish to respond to the argument advanced by Members, that the Government should support the grassroots to address the problem of food price inflation. This would touch on the portfolio of the Secretary for Labour and Welfare. However, I do have some relevant information at hand and I can respond to this issue on his behalf. In terms of short-term food assistance, the Social Welfare Department (SWD) launched five service projects in 2009 to help persons who have difficulties in meeting their daily expenses on food.

Targets of these projects include the unemployed, persons with a low income, new arrivals to Hong Kong, street sleepers and persons caught in financial straits due to unexpected turns in life. These projects are operated by non-governmental organizations which will assess the needs of the applicants in the light of their actual situation and then allocate suitable food assistance. The SWD is now studying with the operating agencies concerned on how such services can be enhanced, including offering more types of food.

Since the projects are geared towards people with immediate or short-term service needs, assistance is usually limited to six weeks. However, the agencies concerned may exercise discretion and extend the period of assistance according to the special circumstances of the cases. If individual service targets have long-term welfare needs, the agencies concerned will refer them to other service units for follow-up.

The short-term food assistance service projects have been effective since their implementation. As the utilization of these service projects is steady, it is expected that the current funding will be sufficient for the projects to operate up to the year 2013. The SWD will keep a close watch on the service demand and the related arrangements in place. Meanwhile, the Financial Secretary announced in this year's Budget that an additional \$100 million would be set aside for the projects and more funding may be allocated to them if necessary.

As to the suggestion made by a Member that school children from low-income families should be provided affordable lunches, the steering committee of the Community Care Fund has announced earlier that 10 assistance projects will be rolled out in due course in the year 2011-2012. These will include projects that provide an allowance to children from low-income families studying in primary schools so that they can have lunch in their schools. The steering committee will take into consideration views from all quarters and the relevant experience gained and examine other projects which cannot be put into practice at the present stage.

Deputy President, the Government has adopted a multi-pronged approach to address the problem of rising food prices. On the one hand, active steps are taken to increase food supply and this applies to increasing local food production and exploring more sources of food imports. These will help stabilize food prices and enable a greater variety of food available. A stable and sufficient supply of food is the best way to keep prices at a reasonable level. On the other hand, the Government should provide assistance to people in need and help them overcome the problem of food price inflation.

Government departments will continue to work together to devise measures in various areas to cope with the problem of food price inflation and ease the pressure of rising food prices on the people.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I will call upon Mr WONG Kwok-hing to move his amendment to the motion.

MR WONG KWOK-HING (in Cantonese): Deputy President, I move that Mr WONG Yung-kan's motion be amended.

Mr WONG Kwok-hing moved the following amendment: (Translation)

"To delete "," after "That" and substitute with "inflation is fiercer than a tiger;"; and to delete "to formulate a policy on rental and facility improvement which is conducive to the development of public markets to enhance their competitiveness, so as to meet the function of supplying

fresh provisions to the general public" after "(e)" and substitute with "to make timely use of the rare 18-month period when the rental of all public markets in Hong Kong continues to be frozen, and set up a government-led working group comprising representatives of market tenants and groups, council representatives and academic representatives for conducting a comprehensive review of the policy on public markets as well as formulating long-term policies and measures which are conducive to the development of public markets; to abolish the unrealistic practice of charging market-level rental and rates, and on the basis of fully consulting the industries, formulate afresh a reasonable and feasible charging policy for rental, air-conditioning fees and electricity tariffs; to allocate additional resources for installing air-conditioning facilities in all public markets to further improve the business environment of public markets, thereby fundamentally enhancing the competitiveness of existing public markets as well as further increasing occupancy rates and reducing vacancy rates, so as to fulfill their function of providing the general public with fresh, inexpensive and quality foods and non-staple foods; on the other hand, the Government must construct public markets in new towns (for example, Yat Tung Estate in Tung Chung and Tin Shui Wai New Town, etc.), so as to assist new town residents in combating market monopolization and alleviate the heavy burden of goods prices on the grassroots in new towns; and under the programme for planning new development areas (for example, Hung Shui Kiu and Kwu Tung, etc.), reserve land for constructing public markets in advance, so as to enable new town residents to improve their basic living"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Kwok-hing to Mr WONG Yung-kan's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority 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.

DEPUTY PRESIDENT (in Cantonese): Mr IP Wai-ming, as Mr WONG Kwok-hing's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When moving your revised amendment, you may speak for up to three minutes to explain the revised terms in your amendment, but you may not express further views on the motion and the amendments, nor may you repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR IP WAI-MING (in Cantonese): Deputy President, I wish to clarify the point I have made in my amendment about setting up baby-sitting rooms in all public sector organizations and facilities. I do not mean that members of the public should be allowed to bring their children to work, but I think that the Government should take the lead and in its facilities

DEPUTY PRESIDENT (in Cantonese): Mr IP, please only move your amendment and explain the revised terms in it.

MR IP WAI-MING (in Cantonese): I am explaining the meaning of "public sector organizations and facilities" in the amendment.

Deputy President, I move that Mr WONG Yung-kan's motion, as amended by Mr WONG Kwok-hing, be further amended by my revised amendment.

Mr IP Wai-ming moved the following further amendment to the motion as amended by Mr WONG Kwok-hing: (Translation)

"To add"; and (h) set up dedicated counters in all maternal and child health centres in Hong Kong for selling milk formulas, and enable parents of infants to buy milk formulas at fixed sales outlets; at the same time, the Government should proactively promote breast feeding by stepping up publicity on the advantages of breast milk on the one hand, and on the other hand, providing greater protection in legislation for pregnant women and mothers of new-born infants, setting up baby-sitting rooms in all public sector organizations and facilities, and encouraging the business sector to follow suit" immediately before the full stop."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr IP Wai-ming's amendment to Mr WONG Yung-kan's motion as amended by Mr WONG Kwok-hing be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Ronny TONG rose to claim a division.

DEPUTY PRESIDENT (in Cantonese): Mr Ronny TONG has claimed a division. The division bell will ring for three minutes.

(When the division bell was ringing, THE PRESIDENT resumed the Chair)

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Mr CHEUNG Man-kwong, Mr WONG Yung-kan, Ms LI Fung-ying, Mr WONG Ting-kwong, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted for the amendment.

Dr Joseph LEE and Mr CHAN Kin-por voted against the amendment.

Dr Margaret NG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Paul CHAN, Dr LEUNG Ka-lau and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr CHEUNG Hok-ming, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Sing-chi and Mr WONG Kwok-kin voted for the amendment.

Mrs Regina IP voted against the amendment.

Ms Audrey EU, Mr Ronny TONG, Mr Alan LEONG and Miss Tanya CHAN 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, two against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 25 were present, 19 were in favour of the amendment, one against it and four abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion "Alleviating the impact of food price inflation on the public" or any amendment 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 "Alleviating the impact of food price inflation on the public" or any amendment thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Dr PAN Pey-chyou, as Mr WONG Kwok-hing's amendment has been passed, you may now move your revised amendment.

DR PAN PEY-CHYOU (in Cantonese): President, I move that Mr WONG Yung-kan's motion, as amended by Mr WONG Kwok-hing, be further amended by my revised amendment.

Dr PAN Pey-chyou moved the following further amendment to the motion as amended by Mr WONG Kwok-hing: (Translation)

"To delete "and" after "unscrupulous traders;"; to add ", consider providing Comprehensive Social Security Assistance households, low-income persons and poor elderly persons, etc., with additional food subsidies or food vouchers" after "receiving assistance"; and to add"; (h) through various media such as the radio, television and the Internet, etc., as well as through professionals such as dieticians, etc., to promote inexpensive but nutritious foods to the public, and to encourage the public to buy foods within their means, so as to avoid any public misconception that expensive foods will be exceptionally beneficial to their health; (i) to provide poor students with inexpensive lunch in school, so as to ensure students' intake of sufficient nutrients during their development and growth; and (j) to encourage and facilitate mutual co-operation among community groups, non-government organizations, merchants' associations and food suppliers for organizing short-term anti-inflation bargain bazaars for the public in the 18 districts in turn, with the Government providing venues and necessary support, so as to put together some non-staple foods, such as rice, cooking oil and canned food, etc., for

sale at cost, with a view to assisting the public in combating inflation" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr PAN Pey-chyou's amendment to Mr WONG Yung-kan's motion as amended by 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 amendment passed.

PRESIDENT (in Cantonese): Mr Vincent FANG, as the amendments by Mr WONG Kwok-hing and Dr PAN Pey-chyou have been passed, you may now move your revised amendment.

MR VINCENT FANG (in Cantonese): President, I move that Mr WONG Yung-kan's motion, as amended by Mr WONG Kwok-hing, be further amended by my revised amendment.

PRESIDENT (in Cantonese): You should have moved that the motion, as amended by Mr WONG Kwok-hing and Dr PAN Pey-chyou, be further amended.

Mr Vincent FANG moved the following further amendment to the motion as amended by Mr WONG Kwok-hing and Dr PAN Pey-chyou: (Translation)

"To add"; (k) to step up negotiations with the Mainland authorities on how to ensure stable supply of foods to Hong Kong, especially for the stable supply of live and fresh foods such as live pigs and cattle, and to make efforts to enhance competition so as to avoid drastic fluctuations in food prices; and, on the premise of declining avian influenza risks, to appropriately increase the Mainland's supply of live chickens to Hong Kong according to market demand during major traditional Chinese festivals, so as to reduce the negative impact of food price inflation on the public; (l) to lower the various registration fees and application fees imposed on food industries by the Government, including the registration fees for applying for small volume exemption under the food nutrition labelling scheme and the registration fees for food importers and food distributors under the Food Safety Ordinance, etc., so as to reduce the extra administrative fees borne by these industries; and (m) to establish a mechanism for providing food industries with immediate assistance, such as providing certification for unpolluted foods, whenever there are any major food pollution emergencies such as those involving malachite green, melamine as well as nuclear radiation pollution in Japan, etc., so as to ensure that it will not affect the market supply" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Vincent FANG's amendment to Mr WONG Yung-kan's motion as amended by Mr WONG Kwok-hing and Dr PAN Pey-chyou 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 Ronny TONG, as the amendments by Mr WONG Kwok-hing, Dr PAN Pey-chyou and Mr Vincent FANG have been passed, you may now move your revised amendment.

MR RONNY TONG (in Cantonese): President, I move that Mr WONG Yung-kan's motion, as amended by Mr WONG Kwok-hing, Dr PAN Pey-chyou and Mr Vincent FANG, be further amended by my revised amendment.

President, my amendment is actually very simple. I think my amendment is not in conflict with the motion and amendments proposed by other colleagues and so, I have only place my amendment after the amendments of other Members.

Mr Ronny TONG moved the following further amendment to the motion as amended by Mr WONG Kwok-hing, Dr PAN Pey-chyou and Mr Vincent FANG: (Translation)

"To add"; and (n) in respect of the supply of staple foods, to introduce more suppliers to increase competition, so as to prevent individual major merchants' associations from monopolizing the food market" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Ronny TONG's amendment to Mr WONG Yung-kan's motion as amended by Mr WONG Kwok-hing, Dr PAN Pey-chyou and Mr Vincent FANG 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 Yung-kan, you have 38 seconds for your reply.

MR WONG YUNG-KAN (in Cantonese): President, I only wish to thank the several Members for proposing their amendments, and I thank colleagues for speaking in support of this motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Yung-kan, as amended by Mr WONG Kwok-hing, Dr PAN Pey-chyou, Mr Vincent FANG and Mr Ronny TONG, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: The 4 June incident.

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

I now call upon Mr LEE Cheuk-yan to speak and move the motion.

THE 4 JUNE INCIDENT

MR LEE CHEUK-YAN (in Cantonese): President, I move that the motion as printed on the Agenda be passed.

President, this year is the 14th time that the motion on the vindication of the 4 June incident is proposed. On 21 May 1997, "Uncle Wah" moved the motion on the vindication of the 4 June incident in this Council for the first time. It is saddening this year as we have this debate without Uncle Wah. Even when "Uncle Wah" was not a Member of the Legislative Council, he would definitely give his support outside this Council to any Member who proposed the motion on the vindication of the 4 June incident.

Another thing which is saddening has happened lately. The Hong Kong Alliance in Support of the Patriotic Democratic Movement in China (the Alliance) has lost a volunteer worker who was actively involved in our work, Mr CHOW Shek-fai. He was also an active member of the Hong Kong Professional Teachers' Union. A school principal by profession, he was very committed to the education sector, to social movements, and also to the work of the Alliance,

contributing a lot of effort and time to promoting various activities. It has been 22 years since the 4 June incident happened, and we still have not seen the vindication of the 4 June incident. But I believe we can tell "Uncle Wah" and CHOW Shek-fai that we will definitely persevere with our fight for this cause.

Today, I wish to particularly offer the 4 June flowers to the sacrificed children of Tiananmen mothers. Members can see that the 4 June flowers are made up of six white roses and four red ones. The white roses represent the pure patriotic sentiments of the students who sacrificed themselves in pursuit of democracy back then, while the red roses represent the blood from their hearts of fire. These flowers are dedicated to the Tiananmen mothers and to their children. The Tiananmen Mothers, an organization comprising families of the victims of the 4 June incident, has been subject to enormous pressure for the past 22 years and yet, they have never ceased to seek the truth and demand justice and vindication of the 4 June incident.

Prof DING Zilin is among the Tiananmen Mothers. After 20 years of toil in the community, she has compiled a list of 128 victims of the 4 June incident. This ruling regime is so shameless. How many people were shot and killed by the People's Liberation Army (PLA) in the 4 June incident? This ruling regime still has not told the truth, and it still dares not to face the 4 June incident. The pain felt by families of the victims is imaginable. Their children were murdered and yet, they still cannot pay tribute to their children openly.

I particularly wish to mention two family members of the victims. One is WU Xuehan who was the father of WU Xiangdong and a Senior Engineer of the Chinese Academy of Geological Sciences. He suffered from depression caused by the death of this son and died of cancer in 1995. After the 4 June incident, the PLA seized the corpses of the victims in all hospitals in an attempt to destroy the evidence. On 7 June, WU Xuehan risked his life to secretly bring the body of WU Xiangdong from Fuxing Hospital to the crematorium in Dongjiao and cremated his son in haste. WU Xuehan had made great contribution to the inception of the organization of families of victims of the 4 June incident. Please note that he passed away in 1995.

SU Bingxian, who was the mother of ZHAO Long, died on 16 January 2001. SU Bingxian was an associate editor of the Central Compilation and Translation Bureau of the Communist Party of China (CPC). She and her

husband had worked in the PLA for a long time and she had never thought that her son would be shot and killed by the PLA. On 3 April 2000, SU Bingxian was kidnapped by plain-cloths police officers and interrogated for meeting Mrs Edgar SNOW — That was what happened in 2000, but there are still many cases of kidnapping now — and she was even stripped off all her clothes, shoes and socks and searched. She was released after being locked up for 24 hours. Please note that she passed away on 16 January 2001.

In fact, over 20 Tiananmen mothers have passed away, and they really cannot rest in their grave. The 4 June incident still has not been vindicated even today. The love for the country and the love for democracy of their children still have not been openly recognized today.

I would also like to read out a paragraph written by LIU Xiaobo in *Listen to the Voices of Tiananmen Mothers*: "Mothers who lost their children are still shedding tears. Their tears will never stop as long as the injustice done to their children is not redressed. But the tears shed after awakening are not only to grieve in sorrow and pain; the tears are shed no longer out of a sense of weakness and helplessness, but out of bravery, perseverance and hope in the face of high-handed suppression — An indictment against the murderers, a protest against the dictatorial government, an appeal made to all people with conscience.

"Fifteen years have lapsed — this can now be revised to "22 years have lapsed" — under the threats of being summoned, watched, tailed and put under house arrest by the CPC police, and amidst society's apathy and oblivion there are one after another Tiananmen mother unrelentingly fighting on for the souls of the deceased in the 4 June incident. With their unflinching love and unyielding conscience, they lay bare lies and interrogate the cold-blooded society, comforting the souls of the deceased and the surviving families of the victims A humanistic organization comprising mothers as its main thrust has firmly stood up against the terror of suppression!" By this, we wish to commend the resilience of the Tiananmen Mothers.

The vindication of the 4 June incident is a matter of urgency. As I mentioned just now, over 20 Tiananmen Mothers have passed away. President, it is indeed particularly meaningful for us to propose this motion on the vindication of the 4 June incident this year. The most important reason is that this year is the darkest year in the human rights situation in China. The ignition

of the Jasmine Revolution in the Middle East immediately got on the nerves of the CPC regime, resulting in vigorous actions taken to hunt down human rights activists all over the country. According to our estimate, close to 200 human rights activists have been arrested and while some of them may have been released, some had been maltreated and assaulted during their arrest and most unfortunately, they no longer dare to speak up after release. What had happened to them during their imprisonment that deterred them from speaking up after release? Nobody knows. But we can assert that all the people arrested and detained this year are people who had been willing to speak the truth all along.

When WEN Jiabao told the Chinese people to speak the truth, I think he was really "kidding". When a person will be arrested once he speaks the truth, who will dare to speak the truth? What happens now is that all the people who dare to speak the truth have been arrested, turning China into a land of sheer silence. Whoever dares to speak the truth will be stifled, and not only the people will be stifled but also all the speeches on the Internet. We have learnt that it is more difficult to "scale the wall" now, as the CPC regime has applied high technology to enforce a blockade in the entire country. The escalation of suppression is also reflected by the expenditure on stability preservation. This year, the budget for stability preservation is even higher than that for national defence, showing that the enemy of the ruling regime is the people, not any foreign country. As they do not fear any foreign country now, it is unnecessary to spend so much on the expenditure for defence, but in order to suppress the people, it is necessary for the relevant expenditure to be increased to a level exceeding even the defence expenditure. A country has degenerated to such a state where it even regards the people as its enemy, hence requiring such hefty expenditure for stability preservation. From this we can see the state that this ruling regime has come to.

President, sometimes I do not understand what exactly HU Jintao is afraid of. Why does he have to stifle them all? For the past 22 years, why is this year the darkest year? What is he afraid of? Is it because of great instability domestically? Is the country in great chaos? Are the second generation of the rich and the second generation of officials too overbearing and hence they have outraged the people? Is it that even a minor thing can be frightening to the CPC regime? They are so frightened to see a minor incident prompting ten thousand people to take to the streets that they have to arrest all the human rights activists and dissidents who dare to speak up. HU Jintao, what are you afraid of?

Such white terror has actually spread to Hong Kong. In Hong Kong, an incident involving graffiti is outrageously referred to the district crime squad for investigation. Even if a minor issue is involved, the Liaison Office of the Central People's Government (LOCPG) in the Hong Kong Special Administrative Region has to cordon off its office building to the extent of turning it into an iron cage, in order to bar people from expressing their views. It is most heart-rending to see that China has been regressing and making no advancement at all in human rights. Some people said that had there not been suppression, stability and economic development would not have been possible. I hope that those people who made those remarks can answer their own conscience. If China has to rely on the firing of guns to achieve development nowadays, do we want such development? If it takes bloodshed to achieve development, is it the kind of development we want? Do Chinese people really have to victimize themselves in thinking that chaos are set to arise when there is democracy and so, there must be suppression by the CPC and there must be one-party dictatorship, or else social stability can never be achieved? We do not believe it. We believe these are the lies of the CPC regime and one-party dictatorship. Indeed, Chinese people are absolutely qualified for democracy and deserve it.

Lastly, President, I would like to talk about national education. The officials are, as usual, nowhere to be found today. If it is their objective to promote national education, why do they not attend this meeting and discuss this motion on the 4 June incident with us? That would be the best national education. If they consider national education necessary, they should put forward their views and debate with us. But they choose to be evasive; they choose to escape and huddle up like a turtle, not daring to express their views. I think the pro-establishment Members will also shut up, and we will lose the opportunity to discuss national education. This situation has reflected that to this political regime and this Government, their idea of national education only seeks to eulogize over achievements. It is the kind of national education which promotes patriotism blindly. It can even be seen as a cheap kind of national education.

I find it laughable to note that the teaching materials of national education are asking students to loudly say, "I feel happy that I am Chinese". Asking them to say this line is tantamount to forcing them to say it. The students are also asked whether they feel happy when a national team wins a championship or a gold medal. This shows that it is a cheap kind of patriotism that the Government

is thinking about. It is the cheapest indeed. The fans of United Manchester will be happy if the United Manchester wins the championship. Could it be that every one of us is degenerated to be a fan of the Red Devils? Could it be that our feelings towards our country can only be likened to those of soccer fans? However, the patriotism advocated by this regime is precisely such a cheap kind of patriotism.

On the contrary, the patriotism advocated by the Alliance is genuine patriotism. As clearly shown by the name of the Alliance in full, that is, Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, we support patriotic education. The patriotism that we refer to embraces love for the people, love for democracy, love for freedom and love for human rights. It is patriotism underpinned by independent and critical thinking. We oppose the kind of national education whereby the country is replaced by the party under one-party dictatorship. That kind of patriotism that they refer to means love for dictatorship and love for autocracy. We hold that such patriotism will cause grave harm to the country and to the people and therefore, we certainly hold such patriotism in contempt.

This year marks the 22nd anniversary of the commemoration of the 4 June incident. This year carries enormous import because many "post-90s" (especially university students and young people in the Mainland) know nothing about the 4 June incident. This State is so terrifying that it can turn this entire part of history into a void. So, this is not a struggle between remembering it and forgetting it, but a struggle between a void and the truth, because there is already a generation of people who have no memory of the 4 June incident. Therefore, we must fill this void with the candlelight of the 4 June candlelight vigil, so that all the people of China can see the candlelight in the Victoria Park and know that the 4 June incident must not be forgotten and make continuous efforts to work and fight for the five major goals of the Alliance: Vindicate the 1989 pro-democracy movement; Ascertain the responsibility of the 4 June massacre; End one-party dictatorship; Build a democratic China, and Release all human rights and pro-democracy activists. Take AI Weiwei as an example. He has just been given permission to see his wife but we still do not know what has happened to him. As for LIU Xiaobo, he still has to suffer for 11 years.

Under such circumstances, I hope we all can take actions to support the 4 June candlelight vigil organized by the Alliance by attending the candlelight

vigil at 8 pm in the Victoria Park, and I very much look forward to seeing you. I also call on everyone to support the Patriotic Pro-democracy March which will start at 3 pm on 29 May in the Victoria Park.

Thank you, President.

Mr LEE Cheuk-yan moved the following motion: (Translation)

"That this Council urges that: the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated."

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

PRESIDENT (in Cantonese): Mr Albert HO will move an amendment to this motion. This Council will now proceed to a joint debate on the motion and the amendment.

I now call upon Mr Albert HO to speak and move the amendment to the motion.

MR ALBERT HO (in Cantonese): President, following the sentimental speech made by the Chairman of the Alliance, Mr LEE Cheuk-yan, I am going to reiterate some rational and established facts in support of this motion on the vindication of the 4 June incident today.

It has already been 22 years since the 1989 pro-democracy movement and the 4 June massacre. Over the past two decades or so, despite persistent and rapid development of the national economy, political reform has remained entirely stagnant. Against this backdrop, the opening up of the economy and political autocracy combined has naturally given rise to collusion between officials and business as well as money politics. Depraved, corrupt officials together with plutocrats whose greed is insatiable have kept on plundering the assets of the country, society and the people. This has enabled officials and businessmen to enjoy the wealth of the country but the grassroots people are

deprived of the right to reasonably sharing the fruits of economic development, causing the gap between the rich and the poor to become increasingly serious. Today, the national foreign exchange reserve exceeds US\$3,000 billion, which is second to none in the world, but the average per capital GDP is only about US\$4,000, showing the gravity of the wealth gap. From this we can see that today, our country is governed by the bigwigs and the bureaucratic regime under one-party dictatorship. The country is prosperous on the surface but behind this prosperity a cost has been paid in that many grassroots people are deprived of their rights, freedoms in society are suffocated, the development of a constitutional system based on the rule of law is made impossible, and the environment is damaged which makes it impossible to strike a balance between conservation and development.

President, this year marks the centenary of the 1911 Revolution and as I said just now, over the last century the country seems to have become rich and powerful and more advanced, and has managed to join the ranks of global great powers. But in fact, under the autocratic rule, it is the ruling party and bureaucrats that have truly become rich and powerful, while society and the people are becoming increasingly weaker.

Today, I will try to draw a comparison between China under the rule of the Qing Dynasty before the 1911 Revolution and the new China built by the communist revolution, in order to find out their similarities and differences.

President, the 1911 Revolution had successfully overthrown the monarchy, and dynasty has thereafter disappeared in Chinese history. There has been no restoration of monarchy in China since then, but in the new China built by the communist revolution, we do not see the development of real constitutional democracy and quite on the contrary, a deformed phenomenon which is both shocking and disgraceful has nevertheless arisen.

During the Cultural Revolution, MAO Zedong, being the leader of the CPC, was powerful and mighty and capable of gaining widespread popularity, putting himself in a position overriding the State, the law, the government and the people, and becoming the emperor of the republic. Subsequently, although the Cultural Revolution was denounced and DENG Xiaoping practised economic reforms and the opening up policy, he insisted on one-party dictatorship and remained in control behind the scene even after he had retreated to the second line

of leadership. During the 1989 pro-democracy movement, he arbitrarily branded the students' movement as a rebellion and even rejected the then General Secretary ZHAO Ziyang's approach of resolving the conflicts between the Government and the students and people by democratic and lawful means. Finally, he was even so heartless as to order the crackdown of the 1989 pro-democracy movement by guns and tanks, resulting in bloodshed and returning the most unjust verdict in history. That he could exercise such powers bears testimony to the comment made by a dissident, Mr CAO Changqing, who said that DENG Xiaoping was universally recognized as the last emperor of China. President, this is the first point and that is, although China apparently does not have an emperor, there are dictators under the autocratic rule who are just like emperors.

Second, in today's China, although there is ostensibly no literary inquisition as what happened in the Qing Dynasty, is that the case in reality? We can see that LIU Xiaobo was prosecuted for expression of views and imprisoned for 11 years for publishing the Charter 08 by peaceful means. Artist AI Weiwei has only expressed and criticized the depravity of politics and social injustice through behaviour and language of arts, but he was forced to disappear, and we are worried that he is tortured. Other dissidents, such as human rights lawyer GAO Zhisheng, human rights activists and lawyers GUO Feixiong and CHEN Guangcheng, as well as human rights leaders HU Jia, HUANG Qi, TAN Zuoren, and so on, have all been imprisoned for expression of views and words by peaceful means as a result of literary inquisition under the rule of the CPC. How uncivilized this is! We do feel shameful about all this.

Third, as Members all know, during the Qing Dynasty, the ruling class was an ethnic group of a specific bloodline called the "Banners", who became the ruling noble class. Today, on the surface we can see harmony and equality among the five ethnic groups but a new ruling noble class has emerged, namely, members of the CPC. They are in a position to monopolize the governance of the State under the Constitution and brand any political party as unlawful and prosecute activists for subversion and treason. The CPC has over 70 million members and in terms of their privileges and nobility, are they in any way different from the "Banners" in the Qing Dynasty?

Fourth, during the era of the Qing Dynasty, the army swore allegiance to the monarchy, the imperial emperor and the nobles. The army absolutely did

not belong to the country. But in today's new China, the army is still under the full command of the Central Military Commission of the CPC. It is an army of the Party, not an army that swears allegiance to the country or to the people. Is there any difference from the Qing Dynasty?

Fifth, during the rule of the Qing Dynasty, the law was a tool of suppression of the monarchy to uphold the feudalistic rule. The emperor and the nobles were above the law. Today, although the Government of the State has claimed to be observing the objective of ruling the country in accordance with law, in reality, the Party is above the law and the leadership of the Party enjoys extra powers outside the legal system. In reality, the law has become a tool of the ruling party for political suppression and controlling society. The judicial system is manipulated; the rule of law and human rights are not brought into play; the development of constitutional democracy has even remained unattainable in the foreseeable future. This is what we need to rethink today.

Mr Albert HO moved the following amendment: (Translation)

"To add ", and also urges the Central Government to refrain from taking actions of unlawful and arbitrary surveillance, detention and suppression of dissidents and human rights activists, including LIU Xiaobo and AI Weiwei, etc., expeditiously ratify, through the National People's Congress, the International Covenant on Civil and Political Rights signed in 1998, and effect its full implementation, so as to make good preparation for the vindication of the 1989 pro-democracy movement" 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 HO to Mr LEE Cheuk-yan's motion, be passed.

MISS TANYA CHAN (in Cantonese): President, 22 years ago, tens of thousand patriotic young people chanting slogans of "opposing corruption" and "opposing profiteering" opened a page of surging tides and roaring waves in the history of the development of democracy in China. The then CPC Central Committee General Secretary, Mr ZHAO Ziyang, proposed to resolve the problem along the

track of democracy and law, holding the view that the contradictions and conflicts in society at that time should be resolved through the institutions and dialogues. Regrettably, the Central Government led by conservative forces at that time did not act in this direction, but branded this patriotic pro-democracy movement as a riot and responded to it by military control, martial law, and bloody suppression. The entire incident, therefore, ended in the people's tears and blood.

That the 4 June incident had ended in a tragedy represented a total negation of the proposal to resolve the problem along the track of democracy and law. It is already saddening that the State leaders back then had neglected democracy and law as such, but 22 years down the line, it seems that there is no significant difference in the attitude of the Central Government towards democracy and law, and worse still, there is even a regression. I recall that during the debate on the case of ZHAO Lianhai, I said that insofar as democracy and law in China are concerned, there is no question of the situation being "the darkest", because the situation can only become "darker". What happened to AI Weiwei is a case in point.

The criminal law in China expressly provides that the detention period for any person who committed a criminal offence is a maximum of 37 days and within these 37 days, the prosecution authorities must decide whether or not to institute prosecution, or else the person involved must be released. But AI Weiwei has so far been detained for a period exceeding the limit of 37 days. Even today, nobody knows what crime AI Weiwei has committed, and all that we know is that AI Weiwei is still being detained. The State authorities have turned a blind eye even to the rules laid down by themselves and openly acted in defiance of the law. The word "law" seems to be totally meaningless in today's China, and resolving problems along the track of law has remained to be empty talk nowadays.

When it comes to the track of democracy, we feel even more helpless. The prerequisite of a democratic system is respect for the personal rights of the people. But let us take a look at the situation in the Mainland. The basic rights of the ordinary public are still being trampled on arbitrarily. The best example is the parents of students who were innocently killed in the massive earthquake in Sichuan due to "tofu-dreg" construction works at their schools. For the past three years, all they have hoped is that justice can be done to their children. All they have hoped is to know the truth of what happened, and all they have hoped is

that the responsible public officers will be held accountable. But in exercising these basic rights, they nevertheless faced unpredictable consequences.

According to the reports by various media, the parents of these students killed in the earthquake have been visiting everywhere over the past three years, in the hope that the Sichuan Provincial Government and the Central Government can thoroughly investigate into the quality of the construction works at schools. However, their efforts have become futile. Some of these parents have been closely watched and intimidated, and they have been living in fears all the time. Some have even been imprisoned for five times in three years for pursuing responsibility for the "tofu-dreg" construction works. Human rights activists who have followed up this incident, such as TAN Zuoren and AI Weiwei, are still imprisoned today. If a person defending his own rights is made to face these consequences, what democracy is there to speak of?

Over a period of time recently, Premier WEN has mentioned on various occasions the need to carry out institutional reform in China, pointing out that the institutions must be reformed in tandem with the economic development. According to the latest statistics, we can see that the GDP of China has risen to rank the second in the world after the United States. But at the same time, the Gini Coefficient in China has also risen to the unstable level of 0.45.

It is certainly a positive message when the State leader has openly spoken on the need for institutional reform. But in order for changes to take place in China's society, the involvement of the people is always crucial. Hong Kong is the only place on Chinese territory where the 4 June incident can be openly discussed, commemorated and passed on by word of mouth. We must bear in mind and insist that every year and at each single moment, we have to seize every opportunity to tell our compatriots, especially the young generation, what had happened, so as to remember and pass on this page of history written by blood and tears.

I remember a story that I was told one year. A student from the Mainland had never known what happened on 4 June and this student even thought that it refers to a certain year. I was really horrified when I learnt of this. This all the more reminds me of "void versus the truth" that Mr LEE Cheuk-yan, mover of this motion today, has said.

Turning back to Hong Kong, we indeed face increasingly great challenges in passing the 4 June onto the next generation. The Education Bureau has proposed the introduction of Moral and National Education as a compulsory subject, with the aim of developing a sense of national identity among students and encouraging them to identify themselves with the country through learning China's contemporary achievements. But the consultation document is completely silent on such incidents as the 4 June incident which are considered sensitive by the Chinese Government. If this subject will truly be introduced, I have great misgivings about whether the students can have a comprehensive understanding of the facts of the 4 June incident. Think about this: The eye witnesses of this incident which happened in 1989, such as Uncle Wah, have passed away one after another as time goes by. In Hong Kong and even in the Motherland, how many people are there who still remember these horrifying and yet moving scenes? How many people are there who can pass these scenes of history onto the next generation, and will the patriotic students be eventually vindicated?

President, today, there is still a chance for us to properly educate our next generation, thereby enabling the spirit of the 4 June incident to be passed on from one generation to the next, and encouraging people to devote themselves to the development of democracy in Hong Kong and in China generation after generation. I call on people who have aspirations for the democratization of China, especially the young people, to join us in taking actions to demonstrate our perseverance for the vindication of the 4 June incident, our ideal about the 4 June incident that is never going to be dashed, and our aspiration for the realization of democracy in China. I very much hope to continuously seeing groups of young people in the 4 June Candlelight Vigil in the Victoria Park this year and in each and every of the coming years. I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): President, this year is the 22nd anniversary of the 4 June incident. To carry on the tradition in the Legislative Council, the democratic camp proposes a motion on the vindication of the 4 June incident.

This year, when we debate the motion on the vindication of the 4 June incident, we cannot help feeling sad for the passing away of Mr SZETO Wah. He had led the Alliance in the fight for the vindication of the 4 June incident until

the last moment of his life. However, the 4 June incident has not yet been vindicated. All the people who have not forgotten it and all the people who still have conscience must carry on working for this unfulfilled wish of SZETO Wah until the 4 June incident is vindicated.

This year also marks the centenary of the 1911 Revolution. The revolutionists back then shed their blood and sacrificed their lives to oppose the monarchy and build the republic. This means that the country no longer belongs to the emperor; it does not belong to the warlords; it does not belong to political parties; it does not belong to dictators, but it belongs to the people. However, a century after the 1911 Revolution, the people's rights have not yet been realized, and this is saddening to the 1911 Revolution. While the monarchy has fallen apart and the time has changed, and while the martyrs did not shed their blood for nothing, the realization of democracy has remained a remote possibility, and even tolerance is a luxury.

After the 1989 pro-democracy movement, China has been fully geared up for economic development but in the absence of checks by democracy and the rule of law, the depravity in politics has worsened and a privileged class in which there is no distinction between officials and businessmen has long come into existence, unsparingly devouring the interests of the country, plundering the houses and land of the people, monopolizing the resources and wealth of the country, injuring the environment and the well-being of posterity. The people lost their land; they lost their homes; they lost their farmland; they lost the means to make a living. Some people have been driven against the wall. Human rights campaigns and resistance from the people have risen one after another, but they have all been suppressed by the State and local officials.

While the cases of HU Jia, TAN Zuoren and ZHAO Lianhai have not been resolved, the cases of LIU Xiaobo and AI Weiwei have emerged. The Central Authorities have taken a position of increasing opposition to the people. For the sake of those with vested interest in the reform and opening up of the country, and for the sake of the new privileged class which reaps benefits by cheating, human rights campaigns are suppressed in the name of stability preservation. Those who stick their neck out are penalized in a bid to deter the people from putting up resistance and plunge China into sheer silence. No sooner had the Jasmine Revolution taken place in the Middle East than China became panic-stricken. Any call or appeal made on the web invariably makes it nervous

and agitated, reacting as if it is facing a formidable enemy. It becomes petrified on hearing the name of a flower and has sought to stop people from assembling, fearing that the tiny sparks of the people can set the field of China's corruption and depravity in flames.

As a counter-measure to the award of the Nobel prize to LIU Xiaobo, a ban was imposed on the mentioning of LIU Xiaobo on the web and dissidents were barred from going abroad. The empty chair in Sweden is a disgrace to the country. After the case of LIU Xiaobo, AI Weiwei has been made "disappeared" for over a month. There are only ambiguous "economic crimes"; there are only unilateral "mud-slinging" and unfounded allegations. So how can these be convincing? How can these cover the many mouths of all the people in the country? Does China think that by stopping the people from speaking up, it can prevent the rage of the people from flowing in an endless stream? Does China think that the rage of the people in China will vanish all of a sudden so long as the word "jasmine" is not mentioned?

Today's China is already a strong economic power, but the gap between the rich and the poor is extremely serious. One should have a sense of honour and shame when adequately fed and clad. Even though it may not be possible to immediately take forward democracy, at least it can show greater tolerance — tolerance to the dissidents and human rights activists; tolerance to LIU Xiaobo and AI Weiwei; and more importantly, tolerance is required for untying the 22-year knot of the 4 June incident. The first step to untie the knot is to treat the Tiananmen mothers leniently and allow them to openly mourn and commemorate their deceased family members. The second step to untie the knot is to allow those pro-democracy activists in exile to return to the country for family reunion. The third step to untie the knot is to urge the National People's Congress to carry out an independent and impartial investigation into the 4 June incident, in order to provide a legal basis for the vindication of the 4 June incident and reconciliation with the people.

Reviewing history, no country, political party and leader has never made any mistakes. They may have made the mistake of suppressing the people's movement, such as the Kwangju Incident in South Korea, the "228 Incident" in Taiwan, the Prague Spring in Czechoslovakia, and racial discrimination in South Africa. But there is always this day in history: The government admits its mistake and the injustice done to the people is redressed, thus realizing a major reconciliation between the government and the people and hence bringing solace

to the blood and tears of history and healing its wound. China has admitted the mistakes made in the anti-rightist movement and the Cultural Revolution, and vindicated the 1976 Tiananmen Incident. Why is it that 22 years after the 4 June incident in 1989, it still does not have the courage to attend to this wound in history?

The path that can truly lead to stability preservation in China is one that moves from dictatorship to tolerance, from tolerance to openness, and then from openness to democracy. Stability preservation does not mean suppression. Stability preservation does not rely on public security officers or the police; nor does it rely on web police, control of public opinions, putting people under arrest and house arrest, imprisonment and torture, literary inquisition, or prosecution for unfounded charges. After all, the dark reign of dictatorship can only belong to the China during the iron-curtain era. It does not belong to the China under the policy of reform and opening up. When the economy of China has chosen to be a free world's economy, it implies that the door of political reform must open in China. It must progress with the global civilization and accept the universal values of human beings. It cannot act like "beating up one's son behind closed doors" by using the sovereignty of China to stifle human rights.

This year is the 22nd anniversary of the 1989 pro-democracy movement, and Hong Kong people will persevere with the fight for the vindication of the 4 June incident. The debate on the 4 June incident in the Legislative Council year after year is precisely a struggle between forgetting and not forgetting, showing the resolution of Hong Kong people in refusing to forget. This is also an extremely important form of national education to ensure that this will be carried on from one generation to the next until the day when the 4 June incident is vindicated.

MR RONNY TONG (in Cantonese): President, I must admit that between spring and summer every year, I would have a feeling of great anxieties and unease. I also have some fears too, because I have to speak on the motion on the 4 June incident every year and sometimes I can even be so agitated that I am lost for words. This year, I feel all the more agitated because our respectable "Uncle Wah" left us early this year. How we are going to face the 4 June incident in future is in itself an emotive question.

It is for this reason that I will speak in this debate on the 4 June incident from another angle. President, I would like to ask one question: What actually is the true meaning of the 4 June incident? I think the 4 June incident truly means the use of military power and force by the State to suppress the peaceful expression of views, while the most important qualities of democracy are tolerance and readiness to listen to the views of all sides. In this connection, I must point out that the official *People's Daily* of the CPC published an article entitled "Tolerance for Dissident Thinking" under the name of "Commentary Department of People's Daily" on 28 April. In the article it is pointed out to the effect that comparing to the ordinary people, those rulers who have powers especially need to have such "tolerance" Criticisms can perhaps be right or wrong, and they may even go to the extremes, but so long as they are well-intentioned and do not violate laws and regulations and do not harm public order and morals, they should be treated with an attitude of tolerance, rather than being subjectively dismissed as "the opposition". President, had I not seen the title of this article and by whom it was written beforehand, I would have thought that it was written by the democratic camp in Hong Kong.

This article also cited a remark of MAO Zedong: The sky will not collapse if people are allowed to speak. A remark of comrade DENG Xiaoping was also cited: It is not frightening to hear different voices, but it is silence that is most to be feared. President, these remarks have completely reflected the constitutional protection under Article 41 of the Constitution of China which confers on the people the right to criticize the Government and make suggestions. Regrettably, there is a great discrepancy between the reality and these newspaper comments, and I hope such discrepancy is not a reflection of a power struggle. For a very long period of time, Premier WEN Jiabao has made similar comments on various occasions, but he is often dubbed the "best actor" by the community. An author in the Mainland, YU Jie, has written a book entitled *China's Best Actor — WEN Jiabao*. He considered that although Premier WEN appeared to be liberal on the surface, he has not done anything solid for promoting democracy and reform of the institutions.

President, I really have no idea whether or not Premier WEN is genuinely committed to taking forward reforms. But in reality, after YU Jie's book was published, the police in Beijing interrogated YU Jie for four hours and issued a warning to him in July, telling him that WEN Jiabao is the Premier of the State, not an ordinary citizen, and so, any criticism against WEN Jiabao is suspected to

be endangering national security and inflicting harm on national interests. Disregarding how painstakingly WEN Jiabao has worked to pose as a guardian angel of the underprivileged, and even if he has paid more visits to the disaster areas and shed tears for hundreds of times more over coal mine disasters, the Chinese Government still allows the sentencing of people who revealed the situation of AIDs, "tofu-dreg" construction works and contaminated milk powder. LIU Xiaobo has been prosecuted for expression of views, and AI Weiwei has been unlawfully detained for unfounded charges.

President, perhaps the true meaning of the 4 June incident or the first step lies in giving effect to the remark of MAO Zedong cited by me just now: "The sky will not collapse if people are allowed to speak", or the remark of comrade DENG Xiaoping who said, "It is not frightening to hear different voices, but it is silence that is most to be feared.". When can we achieve this? If we can really achieve this, whether or not an express statement is made to vindicate the 4 June incident actually would no longer be important, because the true meaning of the 4 June incident would have been fulfilled. However, if there is only empty talk or the making of political gestures without giving effect to the essence of Article 41 of the Constitution of China, this will continue to be the major evidence of crime which makes us feel disappointed with the country.

President, we very much hope that on 4 June every year, we do not only mourn the victims, but also pin hopes on the country to make advancements no matter what views we hold for the future of the country. To end, I must cite a few lines from Mr CHAN Koon-chung's novel *In an Age of Prosperity* which I consider very meaningful: In a good hell, people still know that they are in hell and so, they wish to change the hell, but in a bogus heaven, people are accustomed to it, thinking that they are already in heaven. These lines apply to Hong Kong, all the more so to present-day China.

President, I very much hope that our country is a good hell, not a bogus heaven. Thank you, President.

MR LEE WING-TAT (in Cantonese): President, this year is the 22nd anniversary of the 4 June incident. Here, I wish to pay tribute to the people of Hong Kong and to the people of China. A movement motivated by the people can continue for 22 years and still, we have hopes and we are fighting

on continuously. This is rare indeed. I think, when we take part in this pro-democracy movement, what we hope to see is not the bigwigs, the rulers and the powers-that-be changing their mindset on their own initiative. Rather, what we have seen is the unrelenting efforts made by people in Hong Kong and in the Mainland to carry it forward.

A couple of days ago I participated in a seminar on the centenary of the 1911 Revolution organized by the Democratic Party. Our Founding Father, Dr SUN Yat-sen, made a remark a century ago which is often cited by us now: "The world trend is mighty; those who follow it prosper, whereas those who resist it perish." This refers not only to scientific development, but also the trend in the entire world. I do not know what our State leaders think about it now. In places all over the world, this is a most obvious trend. In both economic and scientific aspects, all efforts are geared in the direction of progress. Even in respect of human rights, the rule of law or freedoms and rights, they are also moving in the direction of progress. Members can take a look at the few communist countries left now. Cuba, North Korea or our country have, to a certain extent, developed either actively and passively in the direction of opening up, converging with the world, showing respect to the people, and allowing the people to enjoy greater autonomy.

However, what we have clearly seen now is that there is a very big gap between the country's economic development and the people's aspirations, especially the people's aspirations for human rights and freedoms. I do not have the ability to predict any changes in the future track of development, or perhaps this is primarily unpredictable, just as nobody would have predicted the incidents that broke out in North Africa a few months ago.

I have recently discussed with a lot of friends an article written by Mr WONG Yue-chim in the *Hong Kong Economic Journal* a few months ago. He has conducted a study on the revolutions that took place in territories or countries during the last century and identified one characteristic. When the people involved — be they people from government bodies or the so-called champions of the movement — were asked whether they had predicted the occurrence of the movement some time before the movement actually took place, it was found that whether in the case of the Russian Revolution which happened in the more distant past, the World Wars, or the 1989 pro-democracy movement, the dynastic change in the Soviet Union and the revolution in East Asia which occurred in recent

decades, none of these changes was predictable by the people concerned before they happened, or 90% of them were unpredictable.

Therefore, when we are now in a very dark era or time in the political development of China, we do not have to feel gloomy because nobody can predict what will happen in China next month, next year or in the next couple of years. Nobody has such a crystal ball. As long as we can carry on with this movement unrelentingly, results are set to be achieved on our side.

In last few months, the control and arrest of pro-democracy activists have become far more vigorous in the Mainland because of the Jasmine Revolution in North Africa. Here, let me cite three groups of remarks here. The first is: "In Beijing, after no more than 100 m of walk, I just cannot help asking myself why I would live in this city." The second is: "But at the same time, the people are cheering for the Beijing Olympics. Is this not rather ironic?" The third is: "Look at the air in Beijing. However bad it is, it is still not as bad as the political situation here." All these remarks were made by AI Weiwei.

Many people who fight for democracy and freedom in the Mainland indeed face difficulties and challenges far greater than we do. Here in Hong Kong we can still enjoy a lot of freedoms, and so we all the more should put forward our views on the development of the country. President, I think this day will go down in history as a record of the debates held in the Legislative Council every year since 1997.

Lastly, I have to salute to the late Mr SZETO Wah — "Uncle Wah". From the 1989 pro-democracy movement to the time just before he passed away, he had been leading the patriotic pro-democracy movement. Although it takes more than one person or a stack of information or members of the executive committee to take forward the pro-democracy movement, it must rely on the people in any case, and we must admit that the leadership or the Chairman is critical to the direction, strategy and approach of the entire movement. "Uncle Wah" — Mr SZETO Wah — has made tremendous contribution in this respect, and I salute to him.

Thank you, President.

MR KAM NAI-WAI (in Cantonese): President, it has been 22 years since the 4 June incident occurred in 1989. We may feel sad this year because "Uncle Wah" has passed away. But I feel even sadder and more upset to see that over the last 22 years, our Motherland has not only failed to make any progress in respect of human rights and freedom of speech, it has even been regressing in these respects. As reported in a number of newspapers some time ago, the *Southern Metropolis Daily* published an editorial entitled "Remembering Them As We Are Borne by the River of Time". I think this editorial is a peaceful, sad and humble article and yet, it is outrageously said to be "implicitly giving support" to AI Weiwei because the Chinese zodiacs and porcelain sunflower seeds mentioned in the article are the art works of AI Weiwei. This is why the editorial was swiftly removed by the authorities from the Internet. Here, let me read out this editorial of the *Southern Metropolis Daily* published on 12 May. Why is it that even an editorial has to be removed in no time?

"Today is the third anniversary of the Wenchuan earthquake, and you readers are certainly aware of our grief and its causes. That earthquake laid waste to mountains and rivers. It resulted in the loss of some 80 000 lives. So the tapestry of our grief stretches on to the present day. Our grief is for those brethren who are lost and will never return. And May has become, therefore, a month of sorrow. We feel sorrow too because we found ourselves so powerless as they were snatched from us. Again, another year of sacrifices and offerings [to the dead]. Time passes like a river unyielding, and there are so many questions we must face: Who were they? What happened to them? Where are they? What actions do they demand of us?

"A few burning joss sticks, and the scent of the smoke curls upwards, rising into the void. They are not cold numbers. They existed, buoyant with life, with real names. They walked into the ruins with the entirety of their lives. They lived happily on this earth for seven years, or for longer or shorter periods of time. They were parents, they were children, they were sisters, they were brothers. They were people of yellow skin. They were residents or passing travellers in these homes. They stalked these mountains and rivers, watching the clouds rise and fall. They all had human emotions. They are human beings you have met or not seen, spirits abiding across the expanse of earth.

"Life happens by chance, but death comes of necessity. Three years ago today, at this same time, afternoon, dusk and night fell like stands of rotten trees, choking the river of time. Red the blood, grey the dust, white the vertigo, black

the raiments of death. They fell in a current of color, like the standing grain of misfortune cut down by the sharpest of scythes. They lost everything. Their old age, or middle age, youth or childhood, all were ended too early and too quickly. They became a jumble of fragments. As though by a sharp edge, their families were cloven, tears left in the wake. They said farewell to their hometowns.

"They came from four directions, and departed in eight directions. We feel regret mingled with self-reproach. They should have had better deaths, with calm and unhurried remembrances, tears permitted to fly like the rain. In such haste, such haste, they departed forever from villages and cities left in sick-heartedness. Now, across mountain slopes where new green rises over the stones, they remain in the schools, on the roads, underground, in the nameless places. They are together with each other, the way wheat grows together. In the summer, in the midst of their final twilight, they went to a place we cannot see. They are the only anguish and the only comfort left to the survivors.

"In our hearts, we lowered our flags to half-mast for them. On the day of mourning we called them home and wished them peace. We gathered together all the human evidence of them we could. We read their names together. We promised that we would bear them constantly in mind, never forgetting, over and over again. We did so much, and yet we did too little. Those of you who were lost and did not return, where are you? Can the light we kindle shine across your path? We cannot do more. We can but present steel zodiacs, and offer up porcelain sunflower seeds, symbolic memorials to your lives once so tangible. What else would you wish us to do?

"We know these deaths have already happened, but to forget is to heartlessly hope they endure a second death. If we do not cherish their memory, oblivion will only grow in strength. The sacrifices of this day are done to spurn forgetting, to avoid losing them all over again. Our future memorials are proof again and again before them: we will never be far from you, we will always be together, even though we meet with death and fear. This is a promise that we must bear firmly in mind. People are eternal, and they are always with us. As citizens of conscience, this is our duty to these villages and cities."

President, due to the time constraint, let me finish the last paragraph.

"Let our amusements cease, and today at that time, let us be borne by the river of time, putting ourselves in their place and searching for understanding, feeling their presence and their requests, being conscious of our exchanges and our promises. Since they departed, no night has permitted us peaceful rest. But these three years, we have remembered and been watchful of our principles. May is a time of sorrow, and a time of clarity. Our attitude towards them is a measure of our distance from the rest of humanity. In bearing our wishes to the spirits, we bless and protect them, just as they watch over us."¹

President, even such a humble article is banned from publishing on the land of our country and on the Internet. We hope that everybody can attend the Candlelight Vigil to commemorate the 4 June incident.

MR FREDERICK FUNG (in Cantonese): President, 22 years have passed since the 4 June incident. Time and people have since changed. Developments in the world have been ever evolving; morals and traditional values have been shaken and taken apart. Human beings are lost suddenly in the torrents of technology and the virtual world. The truth is alienated; the right and wrong are distorted. But in spite of all this and amidst 22 years of rain and storm, we have not buried our conscience. We have been persevering; we believe there is a bright lantern in history; we believe justice will be upheld, and the 4 June incident will be vindicated. We believe the country will certainly move towards political reforms, and we can eventually see a democratic and free China.

President, when meeting the staff of the Chinese Embassy and the local Chinese community during his visit to Malaysia last month, Premier WEN Jiabao strongly stated the need to carry out reforms in the country. He stressed in his speech that China must promote political, economic and judicial reforms, so that each individual and each organization will be fully equal before the law. In order to ensure freedom and holistic development for the people, Premier WEN added that reform must be carried out to address the imbalance between social development and economic development in China. He said that the situation could be likened to the problem of having legs of uneven length, and that a person with uneven leg lengths definitely cannot stand properly.

¹ China Media Project, <<http://cmp.hku.hk>>

What Premier WEN has said are brave words indeed, but we are no strangers to these comments and they are even familiar to us. I remember that between August and September last year, Premier WEN had, on as many as eight occasions in China or overseas, openly made an appeal for the need to carry out institutional reform in China. He even said in a high profile that stagnation and regression go against the people's will, and finally, this will only lead to a dead end. These remarks have attracted extensive attention, but no practical action has been taken at all. Subsequently, we even heard of the unreasonable sentencing of the convener of the Home for Kidney Stone Babies, ZHAO Lianhai. From this we can see that the rule of law in a great country can be so absurd and ridiculous. The plaintiff can be made the defendant; the right and wrong can be distorted; justice can be buried; the rule of law can be manipulated; national interest, harmony and stability are more important than everything else and they can completely override the personal rights of the people, not allowing the slightest concession.

The recent case of AI Weiwei, and even in *Criminal Justice in China* which is about the studies on criminal hearings in the Mainland recently published by Mike McCONVILLE, Dean of the Faculty of Law of The Chinese University of Hong Kong, have revealed the evils of the judicial system in the Mainland, which include brazenly breaching the statutory 37-day detention period and in some cases, the suspects had even been detained for two years. There were cases in which the judges, in meting out sentences, must seek instructions from their superiors; the procurators can keep their bonus and save their promotion prospect only when the accused are successfully convicted, and the court can even turn a blind eye to cases in which the suspects were tortured and forced to make a confession. Therefore, to conclude his studies, Mike McCONVILLE considered that there is no judicial justice in China.

President, Premier WEN's remarks on reform are entirely inconsistent with the reality. Does it show that he does not practise what he preaches? Or, is it because the conservative force is too strong, and just as the image-building work at the Times Square in the United States, the aim is merely to build an image of enlightenment and reform for the CPC and to whitewash the incompetent and corrupt governance of the bureaucrats? President, it turns out that the mouthpiece of the Central Authorities, the *People's Daily*, is more honest as it released comments some time ago which completely ran counter to what Premier WEN has said. It repeatedly refuted the importance of promoting reform, and

even stressed that China absolutely should not copy the Western political models, and that the system of multi-party ruling in turn and the separation of powers will not be implemented, insisting that the leadership of the CPC should be maintained and that the communist regime should rule forever. President, should China carry out political reform? Can economic development truly be the single stroke to save all, so that one whose leg lengths are uneven can still stand properly? The answer is obvious.

President, China has endeavoured to develop its economy in an effort to improve the people's living. This is unquestionable. But the speedy economic development has brought along confused values. Economic development is above everything; corruption and dereliction of duty on the part of officials both in the high and low echelons are common phenomena; the wealth disparity is grave; the judiciary is at the service of politics; equality and justice are not brought into play. In view of these circumstances and the trend of their continuation, the so-called "stability preservation" can be achieved only temporarily, and the people's discontent and rage will only keep on accumulating.

President, over the years I have consistently stressed that the vindication of the 4 June incident can be a turning point for reform. The 4 June incident represents a ruling regime arbitrarily trampling on the people in order to consolidate and to firmly hold onto its powers. Stability overrides everything, and brutal suppression is even considered a matter of course. President, our call for the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated is precisely to treat this wound and to rectify the mistake made in the past, thereby completely eliminating the nightmare that has been looming for 22 years and opening up the road to democratic reforms for China.

It is necessary to develop the economy and improve the people's lot, but it is also necessary to pursue a democratic system, defend the rule of law, resolutely uphold equality and justice, take care of the disadvantaged groups, show tolerance and leniency to the dissidents, and protect the environment and the ecology. Only in this way can a truly stable and harmonious society be built. Only in this way can the rulers in China truly achieve effective governance and stability in the long term.

MR WONG SING-CHI (in Cantonese): President, the Chairman of the Hong Kong Christian Patriotic Democratic Movement, Dr Philemon CHOI, said that in order to act according to conscience, we must know history, and we lose our conscience if we forget history. These words have reminded me of "Uncle Wah". "Uncle Wah" was a man who knew history, a man who had conscience. But looking around at Members in the Legislative Council, we can see that some of them do not dare to face the motion debate on the 4 June incident. I hope that the pro-establishment Members, including Members of the DAB, can speak later on today to express their views on the 4 June incident.

President, for the past three years since the 20th anniversary of the 4 June incident, the Hong Kong Christian Patriotic Democratic Movement has prepared a jointly signed prayer each year. The theme of the prayer in commemoration of the 20th anniversary was "Cherishing our hope for 20 years, we have no regrets; Longing to see our families, we find our way back in our dream". The theme of last year's prayer was: "Thinking of the 4 June throughout long years of frustration; May God's mercy be with parents' hearts of sorrow". This year is the 22nd anniversary of the 4 June incident. The Hong Kong Christian Patriotic Democratic Movement has also prepared a jointly signed prayer this year, inviting all Christians and non-Christians in Hong Kong to sign it. Here, I call on all Christians and people who support this prayer to jointly sign the prayer. The theme of this year's prayer is "Treading the path of democracy with no regret; Forever passing on the flaming torch from generation to generation".

President, it has been 22 years since the 4 June incident. Many Tiananmen mothers and families of the victims have already passed away one after another and still, most of the families of the victims cannot openly and are not allowed to mourn or commemorate their loved ones who were killed then. We do not know when the injustice done to the martyrs can be redressed. Today, the Chinese Government has kept on promoting social harmony, but the expenditure on stability preservation is even higher than its military spending and the vigour of its suppression of human rights has never ceased to increase. We hope that the spring of democracy can arrive early and the flowers of freedom can be in full blossom all over the country. We hope that democracy, freedom, and the rule of law will be realized and respected in the Motherland, so that our compatriots in China can enjoy a dignified and truly harmonious living.

President, I will read out the prayer of the Hong Kong Christian Patriotic Democratic Movement this year that members from all sectors of the community are invited to sign. The theme of the prayer is: "Treading the path of democracy with no regret; Forever passing on the flaming torch from generation to generation".

"Lord, creator of heaven and earth, maker of all things
The true God in Trinity that controls the march of history
On this beautiful, sunny day in June
Let us pray to Thou
When strings of natural disasters and earthquakes hit the world
Winds of wars and conflicts howl from faraway places
Please let us live always with a thankful heart
Not forgetting the mental and bodily sufferings of other people
Feeling for their worries and plights; sharing resources with them
Trusting that the Lord is with the mortals amidst the sufferings
Because the Son of God, Jesus Christ, had lived as a mortal
To experience the difficulties of people; to bless them with grace and
mercy; to comfort and to help
O Lord! We have not forgotten
That page of pain and grief in history in 1989
People still live in suppression and humiliation today
Our country has entered a golden age of prosperity
Yet it tolerates no honesty and accountability
On the premise of pursuing economic growth and stability preservation
How many people there are whose voices are stifled
How many people there are whose bodies are locked up
As more people succumb to fears and forgetfulness
Even less people are left to bear the pressure
The frantic rise of the economy cannot cover the coldness of people's
hearts
The hustle and bustle of prosperity brings about a silent China
All we hope is that the calls of democracy and the rule of law
The winds of freedom and justice
Can reach the land of China in the trough of stability preservation
Never will they be extinguished; never will they be covered up
Because our Lord in Heaven is watching over us
O Lord!

May Thou grant us peace and courage
A persevering heart with no regret
May we cherish our freedoms in this land
So that the torch of democracy will pass on forever
A harmonious society needs tolerance and acceptance
Economic growth needs to be built upon equality
We firmly believe that democracy, freedom and the rule of law form the
basis for the country to achieve effective governance and stability in the
long term, to achieve even distribution of wealth, and to become rich and
powerful
However dark the sky is, however long is the road ahead
The Lord's gracious love and justice stretching as far as can be
Feeling tired and wearied though, we still move on
May the will of the Lord be fulfilled
May the Kingdom come early
Sincerely we pray in the holy name of Christ our Lord".

MR CHEUNG KWOK-CHE (in Cantonese): President, after the outbreak of the "Jasmine Revolution" in Tunisia, North Africa, in December last year, the spark of revolutions has spread to the entire Arab world, with every inch of land threatened by marches, demonstrations, strikes, riots and even civil wars. Faced with strong pressure from public opinion, a number of countries cannot but introduce reforms to appease public grievances. The two totalitarian governments of Tunisia and Egypt have even been overthrown by people power.

In February this year, the waves triggered by the "Jasmine Revolution" also flooded China, with Internet users on the Mainland seeking to express their aspiration for democracy by peaceful means, such as assembly or strolling around, in a number of city centres. Regrettably, under the harsh suppression by the CPC, coupled with the blockage of access to relevant news, the "Jasmine Revolution" in China was nipped in the bud.

Despite a 22-year gap between China's "Jasmine Revolution" and the 1989 pro-democracy movement, it is a pity that the communist regime has not considered over these years how to promote democratization. Instead, it keeps on learning how to suppress dissidents to pre-empt a repeat of the 4 June incident in order to reinforce its power. Under no circumstances will it allow the seed of democracy to blossom and bear fruit in the Mainland and return its power to the

people. No wonder democratization in China has not only remained stagnant in recent years, but also continued to retrogress. Even the public's right to peaceful assembly provided for by the Constitution is unprotected.

Undoubtedly, China's economy has seen rapid development and the livelihood of its people has continued to improve. However, only a handful of people have been benefited. Not only is there a growing disparity between urban and rural areas, there is also increasing unfairness in society. Moreover, there are no means for redress. Even if people appeal to the higher authorities for help, their attempts would be to no avail.

Faced with public grievances, the communist regime only knows how to use high-handed means, abuse the judicial proceedings and crack down on dissidents to create a superficial harmonious atmosphere in society. But history tells us that all tyrannical and autocratic regimes using high-handed means to deal with voices of opposition will not last long. It is because as long as injustice exist in society, the latter will not be stable. When such a situation reaches a critical point, public grievances will explode. By then, all regimes, however tyrannical they are, will not triumph over the people's power.

However, it is most regrettable that we can still not see any ray of hope for democracy in the Mainland. In particular, dissidents have continued to be suppressed. I am all the more disappointed by the deteriorating situation. On 3 April this year, AI Weiwei, a human rights artist, was detained by the CPC on fabricated charges. As a Chinese, I really feel very ashamed because it is really unthinkable to me that QIN Hui (秦檜), who has been condemned by the Chinese for nearly a thousand year, has resurrected today.

No matter how the communist regime previously abused the judicial proceedings to prosecute LIU Xiaobo and ZHAO Lianhai, it had at least fabricated an excuse to prosecute these dissidents. But today, the Chinese authorities do not even bother to make up an excuse and have, under the watchful eyes of many, detained AI Weiwei at the Beijing Airport and secretly detained him for more than 40 days now. Despite pressure from many sides, the Chinese authorities have so far merely cited suspected economic crimes as the reason for the detention of AI Weiwei. There has been no mention at all of any specific offences.

It can thus be seen that the communist regime nowadays, with its status as the world's super economic power, can defy universal values, freedom, democracy and human rights and recklessly suppress dissidents. But, after all, a country that knows only to rely on economic power and high-handed tactics of governance will not triumph over the pursuit for individual rights and freedom by each and every citizen.

President, I hope that the communist leaders of this generation can take the first step toward democracy by finding out the truth of the 4 June incident, vindicating the 1989 pro-democracy movement, promoting democracy and reforms, and respecting human rights and the rule of law, so as to enable all people of China to live with dignity in a country that really belongs to them.

President, I so submit.

MR ALAN LEONG (in Cantonese): President, China had been ruled by feudalistic monarchy for thousands of years before Dr SUN Yat-sen, the Founding Father of our nation, boldly advocated the ideals of "the whole world as one community" and "universal harmony in the world", which were strongly agreed by people in China. Later, Dr SUN Yat-sen's call on patriotic youths to participate in the 1911 Revolution to stage an uprising induced hundreds of responses and eventually ended the monarchy rule that had lasted several thousand years and established a strong foundation for a dream of democracy for tens of thousands of compatriots.

However, I believe even the Founding Father would have found it unthinkable that in China a hundred years later, LIU Xiaobo, a Nobel Peace Prize laureate who initiated the Charter 08, was sentenced to 11 years of imprisonment; Mr ZHAO Lianhai, who sought justice for children victimized by contaminated formula milk, was jailed and then put under house arrest; and AI Weiwei, an artist, suddenly went missing. On the centenary of the 1911 Revolution today, democracy still remains as a dream, and the realization of it is nowhere in sight.

Twenty-two years ago, some university students in Beijing initiated a magnificent patriotic and democratic campaign in view of the serious corruption problems plaguing the country and the lack of progress in political reform in order to demonstrate to people all over the world the core values embraced by

them and express their aspirations for reform to the national leaders by peaceful and non-violent means. With the moral power thus unleashed reaching out to all the Chinese around the world, there was an earnest hope among them for the Central Government to heed the advice of the people and carry out democratic reform. At that critical moment when the world's attention was focusing on China, it should be the perfect opportunity to carry out reforms. It is a pity that the regime remained autocratic as ever by making false accusations of "counter-revolutionary riots" and then accusing slanderously the patriotic ideals of the university students. Later, there was even military suppression, which had eventually led to tragedies.

Dr SUN Yat-sen once said, to this effect, "The tide of democracy is irresistible and those who go along with it will prosper while those who go against it will perish". Despite China's pledge to the international community during its bid to host the 2008 Olympics that it would further improve its human rights situation and even used "One World, One Dream" as its slogan, the human rights situation in China after the Olympics has not only seen no improvement, but also showed a trend of deterioration because parents who have lost children as a result of the tofu-dreg projects in Wenchuan are still being gaged, Tiananmen Mothers have even been deprived of their rights to mourn their children, human rights incidents have repeatedly been suppressed and Internet surveillance has become even tighter than what it was before.

President, despite the remarks made by Premier of State Council WEN Jiabao in the Government's work report published in the third Session of the Eleventh National People's Congress, that "The reforms we are undertaking, including economic and political restructuring and reforms in all other areas, are comprehensive. Without political restructuring, it would not be possible for economic restructuring and the modernization drive to succeed." (end of quote) However, facts speak louder than words. The Central Government has all along failed to protect human rights and freedom through such construction as democracy, the rule of law, and so on.

President, Dr SUN Yat-sen once said to the following effect: If we have faith, then tasks as difficult as moving mountains and filling up seas can succeed. If we do not have faith, then tasks as simple as turning over our palm or breaking some twigs can never be achieved. This year marks the centenary of the 1911 Revolution and the 22nd anniversary of the 4 June incident. Even though Mr

SZETO Wah will not be at the 4 June candlelight vigil this year, the Civic Party is convinced that even more young people are willing to take up the mission of vindicating the 1989 pro-democracy movement, in order that the candlelight can be passed on.

See you in the Victoria Park on 4 June. I so submit.

MS CYD HO (in Cantonese): President, today is 18 May. The Kuangju Incident that took place in South Korea on the same day in 1980 raised the curtain on a bloody crackdown, though CHUN Dou-huan and others were not tried until 1996. Subsequently, CHUN Dou-huan was given the capital punishment, which was commuted to life imprisonment. He was later granted an amnesty by KIM Dae-jung, who was persecuted by him before. The national wound of South Korea was thus finally healed with the person who ordered the bloody crackdown having been tried in legal proceedings, penalized, and finally granted an amnesty.

On 18 May 20 years ago, some students in Beijing began a hunger strike and some of them were subsequently hospitalized. On the morning of 19 May, ZHAO Ziyang, a former general secretary of the CPC, and LI Peng went to the hospital to visit the students on hunger strike and praised them for their passion for democracy and the rule of law and against corruption. However, according to a report carried in *China Times* in 2001, ZHAO Ziyang tendered a resignation letter on the same day to the Politburo Standing Committee, saying he had to resign because he could not possibly enforce the martial law order. Nevertheless, the 4 June incident did not take a turn for the better.

On 18 May, the Eight Elder Statesmen and the Politburo Standing Committee decided to enforce the martial law order, and on 19 May, ZHAO Ziyang, who was joined by WEN Jiabao, the incumbent Premier of the State, went to Tiananmen Square and told the students in his last public appearance that "he had come too late". Although ZHAO passed away six years ago, and the 4 June incident took place 22 years ago, the Central Government is still holding onto the idea of emphasizing one-party dictatorship. Hence, the wound inflicted on China as a result of the massacre has yet to be healed. The fact that the Central Government has exhausted all possible means to cover up the truth has left this part of history blank.

Nevertheless, I absolutely do not worry that the people will lose their ability of judging right and wrong, because history keeps repeating itself. In particular, errors, corruption arising from power and the insanity demonstrated by those in power as a result of hogging all power will also keep repeating. So long as a place is devoid of a democratic system to ensure justice, there are bound to be collusion between business and the government, transfer of benefits and disparity between the rich and the poor. As a result, people embracing justice will definitely come out to fight against the tyrant. This happened on 4 June 1989 in Beijing, and it is happening in Hong Kong today.

Although the massacre, which occurred 22 years, is getting farther and farther away, there is a growing feeling among the students and young people in Hong Kong that they emotionally identify with the students involved in the 4 June incident in Tiananmen Square, as expression of opinions and freedom in Hong Kong are likewise being suppressed today.

President, in 1989, there was still considerable room for assembly and marches in Hong Kong. The Government would also offer assistance even though 1 million people took to the streets in that year. However, the Government's crackdown has become increasingly vigorous. In the evening of 6 March this year, the police arrested 113 members of the public who took part in a protest on charges of unlawful assembly. The scale of such an arrest operation was so large that, except for the arrests made during the protest staged by Korean farmers against the World Trade Organization, it was unheard of in the past 34 years in Hong Kong history. The previous protest of a comparable scale occurred in a riot in May 1967 when some people climbed up the gate of Government House to put up a poster of protest and someone was injured with blood all over his face as a result of stones having been thrown on Garden Road. Notwithstanding this, only 126 and 167 people were arrested respectively during these two incidents.

The difference between these two incidents is that although the protest in Hong Kong was staged by young students entirely by peaceful means, the police here responded by using pepper spray against an eight-year-old child. This kind of suppression is getting increasingly ruthless and tough.

Like the students taking part in the 4 June incident in 1989, the students in Hong Kong were very much displeased with the dire poverty caused by collusion

between business and the Government. They came out simply for the sake of opposing the budget. Their initial demands were merely about improving housing for the grassroots, seeking autonomy in their life and freedom from exploitation by property hegemony. Subsequently, they devoted themselves to social movements and called for a democratic system. However, they were smeared by government propaganda, calling them losers who have failed in both study and employment. In fact, such an approach is exactly the same as the 26 April editorial which sought to smear the students in an attempt to isolate and separate them from mainstream society.

Although the students in Hong Kong today might not share the same sorrow as did the students in Tiananmen Square in 1989, the former have the same aspirations for social justice, though they are a bit more lively. For instance, graffiti paintings by a young girl are found all over Hong Kong. Another student, named "Ah Ming" (he was actually in the middle of an examination, hurrying to complete his term-end assignments), used light painting to project the photographs of Ai Weiwei on a tram track and the external walls of the Government Secretariat and the Chinese People's Liberation Army Forces Hong Kong Building in Central. He even uploaded the method of light painting onto the Internet with illustrations to enable more people to challenge the authority by such peaceful means.

President, although the 1911 Revolution dates back to a century ago, a democratic political system has yet to be implemented in China, and those who ordered the massacre 22 years ago have yet to be sanctioned. However, each failure and humiliation will help to lay the foundation for the next wave of democratic movements. I hope Hong Kong can make proper use of the freedom and rights cumulated so far to provide our young students with better nutrients and Hong Kong society with even greater energy.

I am convinced that we are absolutely capable of rewriting the ending that is taken for granted by the Government in power. I am also convinced that the students in Hong Kong can use their energy to protect freedom in Hong Kong and, for the sake of the democratization of China, the historical facts Chinese people should know, thereby protecting the foundation indispensable to the democratization of China.

DR MARGARET NG (in Cantonese): President, when we spoke in past motion debates on vindicating the 4 June incident, there was a feeling of remembrance to indicate that our convictions to insist on vindicating the 4 June incident remain unchanged. However, our feeling this year is more than commemoration. There is a growing concern, too. The 1989 pro-democracy movement was suppressed by tanks, and the 4 June incident has yet to be vindicated. Our State is already conversant with using the law as a new tool to suppress people's thinking and freedom. It turned out that this new tool is even more formidable than tanks, because the 4 June incident was an overnight incident. However, the law as a tool for crackdown can be used again and again every day.

During our discussion in this Council last year on ZHAO Lianhai and LIU Xiaobo, we saw from their verdicts how the Chinese Government had blatantly deprived a person of freedom by way of judicial proceedings and killed people with the help of legal proceedings. This year, we see that artist AI Weiwei, who did not even know what crimes he had committed, has been detained for such a long time.

In fact, the Chinese law stipulates the number of days a person can be detained before a charge is laid against him. However, the Chinese Government has no respect even for its own law. Meanwhile, we have also seen this year that 20 human rights lawyers have gone missing. These circumstances clearly show that China's manipulation and subversion of the rule of law can be found almost every day and its skills are very sophisticated.

President, more than a decade ago, when people were still talking about Hong Kong's reunification, a national leader was asked whether the Party or the law was superior. His answer was, "It is not easy to say", meaning it is very difficult to tell. He understood why this would be a question because if the Party must be under the law should we want the rule of law practised genuinely. Hence, it is very hard to tell whether the Party or the law is superior. He did not want to say that the law was superior. Neither did he want to say that the Party was superior. Today, no answer is good enough for this question because the law is already under the full control of the Party. No matter which one is superior, the result is the same.

Over the past 10 to 20 years, the legal system and the law, and even our counterparts, have seen rapid development in the Mainland. Today, however,

why would our Mainland counterparts still have such passion given the present circumstances? Obviously, people working as a lawyer in the Mainland can make a lot of money. Despite their ability to make a lot of money, why do they not choose to be an obedient lawyer, but work as a human rights lawyer to engage in human rights work while making money?

Their passion is attributed to the bewilderment arising from their belief in the law as to why it cannot protect the right enjoyed by a national under the Constitution. Feeling unconvinced, they think that they must come out to uphold human rights, even at the risk of their personal safety. However, the more sophisticated the legal system and the stronger the convictions upheld by the lawyers, the more dangerous their situation, because there are more and more things they are capable of doing.

President, I was recently shown an article about the transfer between the Mainland and Hong Kong of fugitives or wanted persons. Why can the Hong Kong SAR not deal with this agreement after such a long time? Actually, is it still necessary to raise this question? Under our present circumstances and given the rule of law situation in China, can we maintain that we have fulfilled our obligation under the International Covenant on Human Rights on transferring a person from Hong Kong to the Mainland?

President, we feel that the systems of the Hong Kong SAR and the Mainland are getting closer and closer in spirit. If the question on whether the Party or the law is superior is raised in Hong Kong, our answer will be very interesting because, under the present rule of law, the Government even explains that it is acting according to law. Of course, it is acting according to law in arresting hawkers; it is also acting according to law in using pepper spray against participants of peaceful demonstrations.

However, a member of the public was accused of abusing the judicial system after successfully challenging the Government through a legal channel. Subsequently, someone attacked the Court through an advertisement, publicly questioning the Court that it had no authority to stand in the way of a project already "endorsed" by the National Twelfth Five-Year Plan. Furthermore, people have begun attacking the lawyer instituting the proceedings on behalf of that member of the public.

According to what we heard earlier today, although the Secretary dared not criticize the Court direct, he tried his very best to make innuendoes, saying that 70 projects which could otherwise greatly benefit the public could be delayed as a result of the new requirement made by the Court. Although the Secretary for Justice has made fewer and fewer attempts to come forward bravely for the Court, the lawyer representing him in a case involving Congo has requested the Court of Final Appeal to seek an interpretation of the Basic Law from the NPCSC (*The buzzer sounded*)

PRESIDENT (in Cantonese): Dr NG, speaking time is up.

DR MARGARET NG (in Cantonese): President, all this is worrying us. With respect to the motion debate today, I so submit. I hope Members will pass this motion.

MR ANDREW CHENG (in Cantonese): President, the 4 June incident took place 22 years ago. Just now, on behalf of the Alliance, Mr LEE Cheuk-yan proposed this motion debate after taking up the baton from "Uncle Wah". Very soon, it will be the 14th year for us to debate this motion in the legislature. Although we very often say that we are nominally engaging in a debate, we had better describe ourselves as talking to ourselves, and the comments heard appear to be lopsided. However, I note in this debate that Dr PAN is prepared to speak later. I have great respect for the divergent views expressed on this issue. I also hope more colleagues can express different opinions. In particular, the Liberal Party has spoken on this issue over the years.

"Uncle Wah" has already left us. He sat besides me during the last couple of terms when he was still a Member of the Legislative Council, and I liked sitting next to him because, as I often said, he was a "walking dictionary". Whenever a debate was held on the 4 June incident, "Uncle Wah" would read my draft speech if I had prepared one. On one occasion, he said to me after reading my draft speech, "Your speech seemed to be more or less the same as the one last year." I said to him, "Uncle Wah, your memory is excellent." Honestly, when preparing my annual speech for the debate on the 4 June incident, I had to rack my brain. What novel points can I make any way?

Of course, some incidents worthy of discussion would occur every year. There were discussions years ago about WEI Jingsheng, LAU San-ching and XI Yang and discussions in recent years about LIU Xiaobo, ZHAO Lianhai, AI Weiwei and some human rights lawyers. All these people reflect and tell us the situation before us. When we are debating the 4 June incident, when we are hoping our country to become strong and head towards democracy, the names of these people will surface in my mind one after another.

Chinese society and public sentiments nowadays are really emphatic. Bureaucrats — I dare say most of them — seem to be corrupt, with the only difference in these bureaucrats being very corrupt or slightly corrupt. I dare not say that there are no honest and upright officials who might sincerely hope that their government can move towards young and democratic officials, but I believe they have the heart to do something but lack the strength. There are only these two types of officials. With corrupt officials making up the vast majority, there are only a very small number of clean officials.

President, how about the people? In Hong Kong, when one goes to the brand-name shops on Canton Road in Tsim Sha Tsui and its vicinity, one will hear only Putonghua and some Mainland dialects because our compatriots are scrambling for brand-name goods. Our Mainland compatriots merely care about the benefits before them and hypnotizing themselves with money. These people, who have been running around for the sake of money, have become a true depiction of most Chinese people. A small handful of people who act otherwise are thus regarded as dissidents, including some human rights activists mentioned by colleagues just now. For the upholding of their principles and convictions, these people, who were originally leading a pretty good life, made noises and consequently evaporated from the world.

There are distinctly two kinds of mentality in society, with corrupt officials and people who are busy running around for their living and assets making up the vast majority. I believe the 4 June incident in 1989 is a very, very major watershed. When people saw that they would be treated to tanks because of their unwavering convictions and principles, how would most of the compatriots be willing to pay the price of sacrificing their own lives? As a result, such a mentality will pass on from one generation to the next, with fathers teaching their sons and daughters that they need only study hard and make more money. Hence, some primary school students even said that their ambitions were to

become a corrupt official. In Chinese society nowadays, it is really most ironic that some primary school students even turned out to have such an ambition. Moreover, they even showed no shame at all in making those remarks because they felt that only through being an extremely corrupt official could they demonstrate their ability and potentials.

To suppress dissidents with the Party and State machinery is even more horrifying than using tanks; to hypnotize compatriots with financial gains and money is even more agonizing than using tear gas rounds. The Chinese of this generation and us, Hong Kong people, must encourage spur each other on at all times. During this debate, I have also heard at all times that we must uphold our convictions and struggle until the very end. We will definitely do so. However, we hope that our weak voice can be heard by the majority, the vast majority, of our 1.3 billion compatriots. We also hope that they will refrain from merely caring about the benefits before them. Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, the 4 June incident is a significant event to my family and me.

In early 1989, my late mother planned to make a trip in late May in summer to her hometown in Fuzhou to visit her relatives. I had also applied for leave to accompany her on this trip. However, in mid-May, there were mass rallies all over China. In view of the increasingly turbulent situation, my mother decided to cancel her trip, and I also stayed in Hong Kong to keep her company. This is why during the period between late May and mid-June, we spent most of the time watching news reports on the television and reading press reports about the 4 June incident.

The incident can be described as an enormous shock to our family. In late 1989, like our close colleagues and friends, we decided to migrate overseas and actively apply for jobs. Despite the Right of Abode Scheme launched later by the colonial government, I did not make any application, though I reckoned I would be given approval, because I was quite stubborn. I really did not want to migrate to a place that once took the lead to bully our Motherland. In 1991, our whole family migrated to New Zealand and stayed there for five years until we returned to Hong Kong to start a new life in early 1996. This explains why the 4 June incident can be described as having changed the fate of our entire family.

Now, despite a lapse of 22 years, the 4 June incident is still like an open wound in the hearts of many Hong Kong people. At this time every year, the wound would still hurt. In fact, I feel the same, too.

Under the influence of my teachers and friends, I had begun caring for the country and finding out the past and present of the Chinese nation since I was a youth. Over the past 40-odd years, I have got to know, think about and discuss the history and future of the Motherland while learning and practising medicine. It has become an indispensable part of my life to deliberate the interactive relationship between China and the world.

The 4 June incident is no doubt a tragedy. It is the last thing that all people who really care for and love China would like to see.

In the face of poverty, backwardness, bullying, and chaos caused by war, China has indeed been plagued by disasters during the past century or so.

Perhaps we can compare China over the past century to a jungle and each major event that occurred during this period to a tree in the jungle, and then let us examine the trees in this jungle. We will find the Opium War, Nanjing Treaty, invasion of Beijing by the British and French allied forces, burning of the Summer Palace, Treaty of Tientsin, Sino-Japanese War, Treaty of Shimonoseki, invasion of Beijing by the Eight-Nation Alliance, Xinchou Treaty, 1911 Revolution, restoration of imperial rule, separatist warlord regimes, May Fourth Movement, Northern Expedition, September 18 Incident, Xian Incident, Marco Polo Bridge Incident, War of resistance, Sino-Japanese War Victory and War of Liberation. Each of these major events is a tree in the jungle. Naturally, the 4 June incident is one of them. When we as Chinese people look carefully at each of these trees, should we not also examine the whole jungle to see what it is like?

History is like a long river with innumerable waves. Each wave is a historical event with its unique impact. When we observe each of these waves, should we not also look at the entire river to find out its origin and where it will run?

When we look at the history of China in the past century, it is not hard to find that there is actually a theme among these innumerable waves. The theme

is: Over the past century or so, with their perseverance and strength, our country and people have strived to improve themselves and destroy the old and establish the new, thereby moving from being bullied by big powers to gaining independence and autonomy, from a tray of loose sand to solidarity and collaboration, from a primitive and backward state to progress and increasing power, and from extreme poverty to decent living with abundance. Such transformation and progress is the result of the ongoing collective efforts of hundreds of millions of compatriots.

Admittedly, the 4 June incident is still a wound in the hearts of Hong Kong people. No one can change the incident as a tragedy in the modern history of China. I believe the national leaders understand the frustrations felt by Hong Kong people. I believe they will definitely sympathize with the feeling of Hong Kong people and think hard to address it properly while leading the country to solve all sorts of problems to enable it to continue to move forward.

Now, at this crucial moment of national development, the global situation is so delicate and unpredictable that the State has to focus its attention on tackling the situation carefully. So, at this point in time, Hong Kong people should join the hundreds of millions of compatriots all over the country and the Chinese people all over the world on this once-in-a-millennium occasion to revitalize the Chinese nation and play a part in pursuing happiness for our children.

This is my personal feeling. I so submit.

MR WONG YUK-MAN (in Cantonese): President, as the SAR Government is going to promote national education, this motion on the 4 June incident happens to give us a good opportunity to teach the young people a lesson on national education. What would someone teaching national education say should he have the opportunity to visit Beijing with his students and pass by Tiananmen Square? I wonder if he would say this, "On 4 May 1919, a group of students from the Beijing University proposed chanting in Tiananmen Square the slogan of "eliminating internal traitors and fighting external power" in protest of the selling of the interest of Shandong by the Beiyang government in the Paris Peace Conference. Amid deafening calls for democracy and science, the students burned Zhaojialou, assaulted bureaucrats and were eventually arrested by police officers of the Beiyang government. However, under the pressure of public

opinion, including petitions by academics and professors and newspaper editorials, all the students were released by the authorities in Beijing at that time."

I wonder if he would also say, "Seventy years after 1919, at the turn of spring into summer, tens of thousands of students staged a sit-in and went on a hunger strike in Tiananmen Square, calling for a crackdown on official profiteering and pursuing democracy and freedom. But all this came to an end in the early hours of 4 June with a massacre by the Communist regime with tanks and machine guns."

I also wonder if he would say, "Though there is a gap of 70 years between these two incidents that took place in Tiananmen Square, isn't it pretty obvious that one of these two governments in Beijing was more civilized and the other barbaric?"

President, you used to be a teacher, too. With a guess of the contents of the national education subject, do you think a national education teacher will be allowed to say what I said just now during his visit to the Mainland with his students when they pass by Tiananmen Square? If not, what sort of nationals are they? Are they nationals with dignity? What does it mean by being a true Chinese? Without a dignified awareness of their own history and culture as well as independent thinking, can they claim themselves to be Chinese? Today, a considerably large proportion of the Chinese people in this legislature are exactly like them.

Today, we are discussing a motion on the 4 June incident. During the past two years, I have published some very interesting articles. But I found drafting this speech today very difficult.

The lesson learnt from the 4 June incident has failed to awaken the superior leaders of the CPC as well as the Honourable Members of the democratic camp in Hong Kong. The spirit of the 4 June incident lies in awakening the people in China to speak out of conscience, and to fight and cry out for democracy, justice and freedom of speech. However, it turned out that Members of the democratic camp who stepped on the blood shed in the 1989 mass movement and the souls of those who died in the 4 June incident in order to climb to the top posts as well as Mr LEE Cheuk-yan, who just ascended to the throne of the Alliance could even support expanding the power of the Chairmen of various Panels of the Legislative

Council — an unjust representative council — to evict Members for "misconduct" and suppressing elected Members who spoke out for the people.

Of course, some people can be so shameless as to run counter to their own electoral platforms, betray their constituents, and surrender to the CPC in support of the "bogus reform package". Today, those political parties who gave the green light to the birdcage bogus democracy as well as their chairmen need not fear anymore to reveal their true face of fearing the strong and bullying the weak.

In an article entitled "Ten Thousand Words" recently published in *Ming Pao*, Mr Albert CHAN, Chairman of the Democratic Party even defamed the mass movement, blaming the pattern of mass movements to fight for political reform for the phenomenon of mainstream society in Hong Kong and the fact that the masses have got tired of, detested and distanced themselves from the fight for democracy. If his logic is sound, who is he to talk about "vindicating the 4 June incident" here today? Vindicating the 4 June incident is a long-term fight. It is precisely because of these persistent and bottom-up struggles that we are here today debating this question. Honestly, I really hate seeing this bunch of people here. For one thing, they are standing on the moral high ground. But for another, what have they done during the past year? They opposed the de facto referendum in five geographical constituencies, supported the bogus reform package, and again supported tightening the Rules of Procedure to suppress our freedom of speech. What good deeds would they do next?

Hence, I am really filled with regrets in discussing the 4 June incident here today. We must review what we have learnt in order to learn something new and infer from the past to know the future. Some people would say, "Yuk Man, you are really remarkable. Regardless of the questions being discussed, you can always bombard the democratic camp." I ask them, "Am I not speaking the truth? Have they not negotiated with the CPC behind closed doors for support of the reform package? Have they not opposed the de facto referendum in five geographical constituencies? Look! Since a proposal was raised to hold the de facto referendum, the SAR Government has gone crazy. It has even sought to amend the law on by-elections to the effect that no by-elections can be held even when a vacancy arises subsequent to the resignation of a Legislative Council Member. There is simply nothing the Government cannot do. The Government should thank me, right?"

In the foreseeable decade and beyond, it will be extremely difficult to implement truly universal and equal democratic elections in Hong Kong. Besides engaging in resolute struggles, what else can we do? Mr LEE Cheuk-yan, you proposed this motion today because you are now the chairman of the Alliance. Moreover, you successfully drew the lot which allowed you to propose the motion. Congratulations, you can again do this as a routine. However, why should you support tightening the Rules of Procedure? This is incompatible with your spirit of proposing the motion on the 4 June incident today. Buddy, how can you be responsible to those Hong Kong people who go to the Victoria Park year after year? Hong Kong people have not forgotten the 4 June tragedy. Neither have they given up because of their failed attempt to vindicate the 4 June incident during the past 22 years. The motive of every one of them is pure (*The buzzer sounded*)

PRESIDENT (in Cantonese): Mr WONG, speaking time is up.

MR WONG YUK-MAN (in Cantonese): unlike that of the bogus democratic camp which is downright deceptive.

MS MIRIAM LAU (in Cantonese): President, in the blink of an eye, 22 years have gone by since the 4 June incident. Over these years, there have been changes in people and things. For instance, "Uncle Wah", who initially proposed a debate on this question in this Chamber, is no longer with us. The baton has been passed to Mr LEE Cheuk-yan, who proposed this motion today. Regardless of the number of changes, the Liberal Party will, as usual, not shun this motion. We will continue to speak and reiterate our long-standing position.

For us, as well as all other Chinese who love their Motherland ardently, the 4 June incident, as we have always maintained, is a tragedy that none of us would want to see. Nor would any one of us hope to see this happen on Chinese soil again.

We believe history would pass a fair judgment on the entire process of the incident and how it turned from a public mourning event into a pro-democracy movement for "opposing official profiteering and corruption", and then a tragedy

ended in bloodshed. Most importantly, our analysis of and comments on the incident must be based on objective facts and rational thinking.

Meanwhile, we must look ahead, too. We must bear in mind that not only has the country made significant changes and remarkable achievements during these 22 years, but it will continue to take forward its reform and make constant progress.

For instance, the State has set the target of fully developing a society in which everyone enjoys a decent standard of living. The Twelfth Five-Year Plan, which has just commenced, has also drawn up an ambitious plan to build up a prosperous country and strong and powerful people. Not only has it discussed at great lengths improvement to people's livelihood, economic upgrading and transformation, building of an environment-friendly society, furthering reform and opening up, and so on, but it has even, having regard to the aspirations of the people for reviewing comprehensively the problem of having a prosperous nation but poor people, included "income distribution" as one of its eight reform highlights in the hope of achieving the goal of bringing the income growth of the workforce on par with economic growth through such measures as lowering taxation for the low- and middle-income earners and alleviating the burdens of low-income earners in such areas as healthcare, education, retirement and housing.

It is anticipated by the State Council that, by 2015, China's Gross National Product will exceed RMB 5.5 billion yuan and the country will enjoy an average annual economic growth of 7% in terms of upgraded quality and effectiveness, and an annual growth of more than 7% in terms of per capita income. According to a recent projection by the International Monetary Fund, China will overtake the United States in terms of scale of economy in five years in 2016 and become the world's number one economic superpower.

Meanwhile, the State is working hard to combat corruption and pursue institutional reform. For instance, some corruption and bribery cases, which have aroused public concern, have come to a close recently. Among those involved are XU Zongheng, a former mayor of Shenzhen, who was given a death sentence suspended for two years, and XU Maiyong, a former vice mayor of Hangzhou, who was also given a death sentence.

During his visit to Malaysia last month, Premier WEN made it clear that it is necessary for China to promote political, economic and judicial reforms. Furthermore, a number of current reforms to the political and economic systems are underway to achieve equality before the law and ameliorate the long-standing imbalance between economic and social development, which has caused the problem of one leg being longer than the other, and achieve freedom and holistic development for the people.

I think all of us are pleased to see the Mainland's success in institutional reform and daily progress. Although it might not be smooth sailing for the country in its institutional development and reform, and some people might have opinions about its pace of reform, I think it deserves our recognition so long as it is generally moving forward.

Mr Albert HO's amendment seeks to add new elements to the motion with the mention of the incident involving AI Weiwei. In response to related enquiries earlier, the spokesman for the Foreign Ministry indicated that the relevant case was still under investigation and reiterated that the judiciary of China would handle the case independently in accordance with law. We are also pleased to see evident progress with the incident. Moreover, we hope that the Mainland authorities can strive to publicize the case expeditiously to avoid unnecessary speculations in the community. But meanwhile, as a Special Administrative Region, Hong Kong ought to uphold and observe the spirit of "one country, two systems", show mutual respect for the Mainland and refrain from interfering with it. For these reasons, the Liberal Party will abstain on the original motion and the amendment.

President, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): President, as many colleagues pointed out just now, this year is the 22nd anniversary of the 4 June incident, and in this Chamber, Members have debated the relevant subject for 14 times. Compared to the numerous discussions held over such a long period, I find it a bit difficult to speak today. As Mr Andrew CHEUNG said earlier, it is indeed necessary to make a lot of effort in preparing the contents of the speech. Why? As with the motion proposed by me on transport half-fare concessions for people with disabilities, this incident has been discussed for many, many years. All

colleagues have already expressed their own views from different angles. It is indeed not easy to raise any more new ideas.

Of course, it is easier to debate the 4 June incident than the motion on transport half-fare concessions for people with disabilities. Why? Because there are bound to be certain special circumstances, current news and incidents in the Mainland that warrant our discussion again. Among others, there are the incidents involving ZHAO Lianhai, LIU Xiaobo and AI Weiwei, as mentioned by many colleagues just now. We can see from these incidents that there are still signs of retrogression and deterioration in the human rights situation in the Mainland. Notwithstanding this, what is the point of discussing these problems? It is important that these problems merely reflect the intensification of the social problems in the Mainland, but there is nothing we can do to alter the essence of these problems.

I kept thinking what I should say in my speech. Of course, I was having a certain kind of feeling when talking about the 4 June incident in the past. Why did I find it necessary to speak? Because I believed in a society in which people were obsessed with the desire for gain, history often serve the education sector better for the sake of the powerful and influential people, and as a result, many people attempted to water down the 4 June incident. As there is no way for our next generation to gain a clear understanding of the incident, I believe I am doing a disservice to those compatriots sacrificed in the 4 June incident. Hence, I cannot but keep talking about this incident.

Of course, today, we have to keep talking about this incident. But, on the other hand, we need to do some soul-searching: What are the value and significance of the 4 June incident? The Alliance has proposed five operational goals. They are: Vindicate the 1989 pro-democracy movement; Release the dissidents; Pursue accountability of the 4 June massacre; End one-party dictatorship; and Build a democratic China. Of these five operational goals, I think the first three goals are extremely important. However, these three demands can hardly be achieved should we fail to pay heed to the last two demands.

While we are talking about vindicating the 1989 pro-democracy movement, pursuing accountability of the 4 June massacre and releasing the dissidents, if China remains unchanged as what it is today, as described by Dr Margaret NG

just now, meaning that the Chinese Government/regime is not underpinned by the rule of law, how can these tragedies be vindicated? How can responsibility be pursued? How can the dissidents be brought back to society? It is simply impossible for us to do so. It is very difficult to make an autocratic government respect the rule of law. This is why the key of our operational goals is to end one-party dictatorship. Should we fail to do so, how can the rule of law be practised?

If we take a look at other countries, we will find that they have a multi-party system. Hence, political parties and those in power are subject to checks and balances in everything. As a result, they cannot but respect the aspirations and rights of the people. And it can also enhance and bring into play the spirit of the rule of law. Therefore, to end one-party dictatorship is the immediate task to tackle. However, to end one-party dictatorship carries another significance which is even more important. What is it? Without a democratic system, ending one-party dictatorship is simply out of the question. Therefore, a democratic system must be fully implemented for the building of a democratic China.

Our discussion today on the 4 June incident seeks to arouse concern and understanding of this incident among the public and, most importantly, give them a clear picture of the development and future of China. We can see that our persistent demands of vindicating the 1989 pro-democracy movement, pursuing accountability of the June 4th massacre and building a democratic China are intertwined with ending one-party dictatorship and building a democratic China. None of them can exist in isolation. Hence, during our discussion on the 4 June incident, I hope Members can consider how we can make China take to the road of democracy.

Of course, democracy cannot come into being overnight. But, without the Chinese people's participation, concern, commitment and fight, democracy will not come. So long as we unite together to continue to fight for the goal of democracy, I believe we will eventually achieve success one day.

Let me take this opportunity today to call on everyone again to work hard for the building of China and to end one-party dictatorship so as to enable more people to organize political parties freely, take part in the political system and

eliminate all the corrupt things in the past one by one, including the corrupt regime. Therefore, it is most important for us to take to the road of democracy.

MR ALBERT CHAN (in Cantonese): President, I find Dr PAN Pey-chyou's speech delivered just now very interesting. He stopped after stating the problems with China during the past century from the late Qing Dynasty to the victory in the war of resistance. It looks as if the history of China in the past century stopped with the resistance victory. And he stopped short of mentioning anything about the problems with Chinese people and Chinese history, including the movements against the "three evils" and the "five evils" and disasters caused by the Cultural Revolution. There was also absolutely no mention of the corruption and depravity problems during the decades-long communist rule, and the opposition by students during the 4 June incident to corruption, official profiteering and bureaucratic decadence. The Sino-Japanese War Victory was taken to mark the end of the problems with China. This is precisely the mindset of "royalists": There were no problems with the communists. Communist rule in China over the past decades was considered to be perfect, and there was no cause for criticism.

Although they may occasionally feel sad about the 4 June incident, as stated by Dr PAN just now, specific analyses and criticism are out of the question. Perhaps this has something to do with the bad foundation of Chinese people's traditional, national characteristics, as pointed out by BO Yang in his book entitled *The Ugly Chinaman*. I really wonder if the DNA has made many people who should originally be able to think independently to act like the three monkeys which "see no evil, hear no evil or speak no evil" when it comes to any talk about problems with modern China.

President, the discussion on the 4 June issue has lasted more than two decades. If the discussion is to be continued, we must revisit the past by examining the present circumstances. The 4 June slogan of opposing official profiteering, corruption and bureaucratic decadence has been chanted for many years. Many friends in this Chamber, especially those from the Alliance of the democratic camp, have chanted many slogans. Many people will start to cry on the mention of the massacre on 4 June 1989. They are filled with indignation over the students' call for democracy; they condemn the regime behind the

massacre; and they have chanted countless times for the end of one-party dictatorship.

I remember that LI Peng had to meet the students subsequent to the Central Government's response to a sit-in staged by a million students in 1989. At that time, the students insisted that the meeting must be conducted openly rather than behind closed doors. At that critical moment, the young students, who were brought up and educated by the communists, refused to attend the meeting behind closed doors.

At the most important juncture in politics, however, the democratic camp in Hong Kong agreed to hold a closed-door meeting with the communists in dealing with the "bogus constitutional reform package". There was no way for Hong Kong people to take part in it. Given the "backroom politics", they could only accept this "bogus reform package". Will the democratic camp not feel ashamed debating the 4 June incident in this Chamber today? Can they do justice to the students in Beijing who perished years ago in pursuing democracy?

Regrettably, in the 4 June vigil, these leaders in Hong Kong will still be standing on the stage and chanting "ending one-party dictatorship and building a democratic China". However, it turned out that the leader of the Alliance, who chanted "ending one-party dictatorship", engaged in "backroom politics" with the communists last year in deciding the future of the constitutional reform. Hence, this political phenomenon can be described as extremely saddening and ironic.

In order to truly achieve "ending one-party dictatorship and building a democratic China", people chanting this slogan must adhere to their principles and follow the basic spirit and principles of the students 22 years ago. Neither will there be any compromise nor negotiations and arrangements for accepting "backroom politics". Everything must be conducted under the sun. Moreover, members of the public must be given the opportunity to participate.

As it is said that we are to "build a democratic China", the democracy we are talking about must not be democracy enjoyed by the privileged. Nor will it be the interest of some special classes or the special rights of people of special status. Instead, it must be the common rights of all people, including their right to know, right to express opinions and right to final choices.

I believe this motion today will be negated again in this Chamber because of the "royalists" and their abstention or opposition votes. In fact, many in the young generation have begun to carry a vague idea of the 4 June issue. This is because education and the mainstream media in Hong Kong have become increasingly silent about this issue, thereby gradually watering down the significance of the 4 June incident back then and the traumas inflicted by it.

Of course, this motion debate will also cause reverberations, but most importantly, the reverberations must go deep into the grassroots and the community, so that the aspiration for democracy, as with the request made during the 4 June incident, will continue. To exploit the power through the Internet is thus necessary. Like the "Jasmine Revolution" in the Middle East, the power of the people must reach every corner in order for democracy to be truly implemented.

MR LEUNG KWOK-HUNG (in Cantonese): President, you have enlightened me. I made a mistake when citing the poem of Chairman MAO. He wrote the poem when he revisited Shaoshan 32 years after his last departure, on seeing the beautiful mountains and rivers there after the "bloodshed".

I was thinking that today, some people would be behaving like dogs and pigs, and therefore I borrowed the rhyme system of that poem and wrote one myself to give it to those people. My poem goes like this:

"With tearful dream lingering like fine silk,
I remember the Tiananmen Square 22 years ago.
The tanks crushed people's dream of democracy,
While troops sprayed dum-dum bullets and left the State capital in
bloodbath.
Those who sacrificed themselves had high aspirations,
Followed by those fighting for people's rights to break new horizons.
The tumbled LIU Xiaobo has stirred up strong tides,
Angry men and dogs and pigs fighting in high waves."

On 18 May, exactly the same day 22 years ago, the deputies of the students held a meeting with the "rascal" LI Peng. This "rascal" Li Peng insulted those students at Tiananmen Square and really infuriated them. Then on 19 May, the "rascal" LI Peng usurped the powers and position of Party Secretary General

ZHAO Ziyang and ordered a curfew. President, you too felt very indignant 22 years ago. I believe today you also feel restless and upset.

President, the students were not unaware of the fact that their hunger strike would cause them to die, and on 4 June the blood Let me just quote from the "Statement of Hunger Strike" written by the students on 13 May regarding their hunger strike:

"Nevertheless, our country has come to such a state: soaring general prices; speculative activities by government officials are rampant; oppressive autocratic powers are looming; bureaucratic and corrupt practices everywhere; large numbers of people with high aspirations have gone overseas in exile; and the state of public order have become more and more chaotic. My compatriots, all my compatriots with a good conscience, at this critical juncture of national survival, please listen to our calls!

"This country is our country, the people are our people, and this government is our government.

"If we don't shout, who would?

"If we don't do it, who would?

"Whilst our shoulders are still soft, and although death appears to us still too heavy, yet we will move on. We just could not help but move on, as this is the demand of history upon us."

The "Statement of Hunger Strike" then explains the reason for their hunger strike:

"Hunger strike is our last resort and it is something we just have to do.

"With the aspirations of death, we fight for our lives!"

The "Statement of Hunger Strike" further explains:

"Death is expecting the most extensive and everlasting echoes!

"In this moment of life and death, we would like to look at the faces of our government — is it going to respond, ignore us, or suppress us?"

"In this moment of life and death, we would like to look at the facial expressions of the people — we would like to tap into our nation's conscience."

The "Statement of Hunger Strike" ends with this sentence:

"This pledge that we have written with our lives is sure to brighten up the skies of the Republic."

They did not realize that the hunger strike would actually cause deaths. They did not realize that the government would actually send in tanks and troops using dum-dum bullets to slaughter them. The atrocity of the CPC is far worse than YUAN Shikai and the former Kuomintang.

Seeing that the situation had become too critical on 2 June, Mr LIU Xiaobo, the Nobel Peace Prize laureate, went to Tiananmen Square and delivered his speech on "2 June Hunger Strike". He said, "As an intellectual in China, I am deeply regretful. I hope that our action this time would put an end to the "osteomalacia" of "uttering words only, but taking no action" among the Chinese intellectuals over the past thousands of years. "

For this reason, Mr LIU Xiaobo is surrounded and suppressed by the CPC his whole life because the CPC considered that he is too abominable. He actually dared to go to Tiananmen Square on 2 June to show support to the students. The CPC had thought that the students would retreat peacefully so that they could stop a military coup and expel ZHAO Ziyang. Had the Chinese communist government at that time been a little more tolerant and postponed the decision until after the National People's Congress in June, then the slaughtering of students would not have happened. For those who are trying to embellish the CPC today, can they still remember this episode of our history?

What I find most sorrowful is that "the stains of blood are not yet dry after 4 June". In these 22 years, many prisoners of conscience (such as LIU Xiaobo and AI Weiwei) are still incarcerated. When I arrived at Oslo in Norway, I immediately wrote this poem: "The scenery in this northern country is wonderful, Except that we lament for LIU Xiaobo. Celebrities have come to Oslo from

different places, But who could still remember the QIN lad?" By the QIN lad I meant QIN Yongmin. It is surprising that after six months, Mr LIU Xiaobo has already been forgotten. He is now replaced by Mr AI Weiwei as the most famous prisoner of conscience. This is really lamentable. This is the grief of China. We are unable to confront the continuous flow of all those shameless literary inquisitions set up by the CPC.

Finally, I would like to cite the words of Mr LU Xun to conclude my speech: "It is not a question of whether there is hope or there is no hope. It is just like a road in the countryside. At first there was actually no road. However, when there are more people using this same path, then there is a road." President, do not go socializing on the evening of 4 June. If you can blend yourself into the crowds there and light up a candle, you will certainly earn my great respect.

President, Mrs Rita FAN once asked, "How do you know that I did not mourn the deaths on 4 June?" I should put this question to her, "Where were you then?" If this person had a chance to become the next Chief Executive, those who died a wrongful death on 4 June would turn in their graves.

Thank you, President.

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

MS EMILY LAU (in Cantonese): President, despite the passage of 22 years, our debate will continue, as many colleagues said this evening, until the 4 June incident is vindicated. Although "Uncle Wah" is no longer with us, he once said that to hold on until the end means victory. Even if many of us will not be here in this Chamber one day, I believe newcomers will carry on the fight, too.

We can see that the spirit for vindicating the 4 June incident has continued to rise, particularly in primary and secondary schools as well as universities. This is why Mr LEE Cheuk-yan, the new chairman of the Alliance, expressed his hope for a greater turnout for the candlelight vigil this year. The turnout last year was probably 150 000. Although I am not too certain about the exact figure, it was so large that the police denied entry of members of the public,

saying that the people inside were so crowded that the Victoria Park was on the verge of explosion. I hope Mr LEE's remark will become reality. We will also join in the appeal for all people regardless of age to bring along the old and the young to the commemoration at the Victoria Park.

Hong Kong is the only place in China where people can get together freely in memory of a debt of blood, a massacre 22 years ago. President, I believe even the royalists, who dare not speak today, cherish this sort of freedom, too. This is also a very important spirit of "one country, two systems" — it is extremely important that we have a certain degree of the rule of law and enjoy more freedom than they do.

Nowadays, tens of thousands of people flock to Hong Kong every day. President, some say that these people like every bit of Hong Kong not only because it is a place of great convenience, cuisine and authentic goods rather than fakes, but also because they yearn for Hong Kong's freedom. When they turn on the television in their hotels, they can watch whatever programmes and programmes produced by whatever countries. When they walk into a bookstore, they can buy or read many books which are not available in the Mainland. They can talk about anything with their friends in hotels, coffee shops or on the streets. President, besides this sort of freedom, they find one thing even more precious, and that is, a sense of security. In Hong Kong, they will not feel that they are always being watched. Neither will someone storm into their rooms and arrest them. Although like other parts of China, Hong Kong is governed by the Chinese Government, they can enjoy freedom and a sense of security here. This is the result of what Hong Kong has fought for over the years.

We are mourning the victims of the 4 June incident. It was the shared wish of those who died a glorious death years ago that the Mainland could have a clean government to enable its people to enjoy the freedom enjoyed by people in other civilized places and that the country could have the rule of law. Opposing official profiteering and fighting for press freedom, they thought that they could trade their lives for a better future. But over the past several years, from what we have seen, particularly the human rights lawyers I have come into contact through the China Human Rights Lawyers Concern Group as well as human rights activists, President, the message sent out by these people has become increasingly worse, with many people arrested and some gone missing after arrest. We have also learnt that some people were subject to severe abuse. A

Member also mentioned just now that no one dared to speak after their release. Even Mr LEE Cheuk-yan said the same thing, too. What made those arrested people — regardless of the number of days, weeks or months they had been detained — dare not speak after release? What happened?

Although AI Weiwei has lost his freedom, I believe Hong Kong and the rest of the world are very grateful to him because his disappearance has caused a furore worldwide. Besides many Hong Kong people, many primary and secondary students would get very excited when talking about AI Weiwei, asking why this incident would have happened. President, I have to give a talk in a school tomorrow. The school has specifically requested me to talk about human rights because many students and teachers are very interested in this topic. Why do the authorities find it necessary to promote national education and resort to "brainwashing"? It is precisely because the authorities feel that the students appear to have not taken in what they have repeatedly told them in many schools. The authorities have spent so much money to enable the students to make so many trips to the Mainland, but then they still call for the release of AI Weiwei and the vindication of the 4 June incident after their trips. Why?

President, these aspirations of the people cannot be curbed by a totalitarian government or a worthless Hong Kong SAR Government. Hence, I hope the Legislative Council although our colleagues might hold dissenting political views, they actually have a great yearning for freedom, the rule of law and justice in Hong Kong, regardless of the political parties to which they belong. Hence, we must work hand in hand to protect all these not only for this generation and the next, but also for all Hong Kong people in the future and the people not far away because all these things are what they desperately want.

These are the reasons why so many people come to Hong Kong and like this place. President, they are absolutely fond of Hong Kong. I hope Hong Kong will remain unchanged. In fact, we hope the same happens to the entire China, too. We hope all Chinese like every bit of China, too. President, why does Hong Kong, being such a tiny place, stand out from other parts of China, even though the country is so big? While we are here mourning the victims of the 4 June incident, all self-respecting Chinese must ask themselves this very serious question.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, you may now speak on Mr Albert HO's amendment.

MR LEE CHEUK-YAN (in Cantonese): President, I am grateful to Mr Albert HO for proposing an amendment so that I can have five more minutes to speak on the current human rights situation in China.

The Alliance and five other non-government organizations have recently issued a travel alert — "Beware of Guobao (國保出沒注意)". As everybody knows, the expression "國保²" here has nothing to do with such national treasures (國寶) as the big panda. "國保" actually means national security. So, what is the purpose of issuing the travel alert "Beware of Guobao"? Our purpose is to warn all people of Hong Kong to be careful when they go for a walk in other places, because something might happen at any time when they enjoy a walk in certain places or squares. We have also issued a black travel alert for four places, including Beijing, Zhejiang, Guangdong and Sichuan. Furthermore, we have raised a red travel alert for other places. All these travel alerts serve to warn Hong Kong people and the Mainland compatriots of the potential danger in these places.

In fact, it is extremely distressing to issue these travel alerts because according to the information we have collected, 56 human rights activities have been arrested in different places, with 26 activists, the greatest number of all, arrested in Beijing. Among these activists, one has been formally arrested; two have been detained on criminal charges; eight have gone missing; two have been sent to undergo re-education through labour; and 13 are on bail pending trial. That is the current situation in China.

We find it very distressing that many arrests have been made this year. Although I have not conducted any comprehensive surveys, I believe this year

² "國保" and "國寶" are pronounced the same in Cantonese.

has seen the largest number of protests staged by the Alliance outside the Liaison Office of the Central People's Government (LOCPG). I am also convinced that the Alliance will stage frequent protests outside the LOCPG for the rest of the year because whenever we see the CPC make arrests frantically, we will definitely go to the LOCPG to protest against these insane acts. I have always wondered why the communist regime has to act in this manner this year. There used to be a lot of reasons in the past. In fact, one reason was cited every year. During the year when the Olympic Games were hosted by China, arrests were made on account of the Games. Last year, arrests were made on account of the Shanghai World Expo. What is the reason this year? Is it because of the reshuffle which will soon take place? As the reshuffle will span two years, it means that arrests will be made during these two years. After the reshuffle, someone may say that "stability should override everything" after the new cabinet has ascended to power. As a result, something has to be done to arrest people and stop all actions. There are reasons for arrests to be made every year.

AUNG SAN Suu Kyi has once said that men must fight for freedom from fear. This is the message she hopes to send to the people. It is also her hope that people all over the world can enjoy the freedom from fear. I would like to present such freedom as a gift to the national leaders of China. I hope they can enjoy the freedom from fear, too. I believe they are living in constant fear. I feel a bit sad for them, and I do not want to see them living in such fear. Why do they have such fear? If they allow their people to enjoy democracy and freedom, then they will be set free from their current fear. In fact, democracy can set all people free, so that they will be free from fear, including the incumbent national leaders, whom I believe are filled with even more fear than AI Weiwei and LIU Xiaobo. I believe LIU Xiaobo have nothing to fear now, as he knows very well he has to spend 11 years in jail anyway. Now that he has already spent one year in prison, there is no big deal about serving his sentence until the end. He has accepted this calmly. I believe he can hold on to this spirit.

President, the thought of LIU Xiaobo reminds me of LIU Xia. Currently, China has another kind of fear, and that is, someone can be put under house arrest without any reasons or legal proceedings. This is also some sort of fear. China has not learnt from the good. Instead, it puts LIU Xia under house arrest, as what the Burmese regime did to AUNG SAN Suu Kyi. Is there any legal basis? The answer is no. All sorts of means are now being employed to sue some people and unlawfully arrest and detain others. Now, a new approach is used to

deal with human rights lawyers, and that is, security guards are employed to watch them and prohibit them from going out with all sorts of tricks. President, we hope the public at large can bustle about for human rights in China and make concerted efforts for the democracy and future of China. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr Albert HO to Mr LEE Cheuk-yan's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert HO rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert HO 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:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr LAU Wong-fat, Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendment.

Ms Miriam LAU, Ms LI Fung-ying and Mr CHAN Kin-por abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung and Miss Tanya CHAN voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Mr WONG Kwok-kin and Mrs Regina IP 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, 18 were present, four were in favour of the amendment, 11 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 27 were present, 16 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, you have 51 seconds for your reply.

MR LEE CHEUK-YAN (in Cantonese): President, first of all, I thank Dr PAN Pey-chyou and Ms Miriam LAU for speaking on this motion. As for the other Members, we have expected them to speak. Therefore, Dr PAN Pey-chyou is at least better than the DAB which has kept quiet out of fear.

Dr PAN Pey-chyou talked about his personal experience. He emigrated because of the 4 June incident. But he concluded by describing the 4 June incident as a tree, adding that the history of China, which is beset with sufferings, is a forest. I think this is open to question.

Is it because the history of China carries so many sufferings that we have to forgive the People's Liberation Army killing the people with tanks and guns? Is it because we have a long, painful history that we have to accept all the sufferings inflicted on the people after 1949 and that we have to accept the movements against the "three evils" and the "five evils", the Cultural Revolution, and the 4 June incident? I hope Members can think about all this. We cannot rationalize all the massacres (*The buzzer sounded*) on account of the sufferings of China.

PRESIDENT (in Cantonese): Mr LEE, your speaking time is up.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Cyd HO rose to claim a division.

PRESIDENT (in Cantonese): Ms Cyd HO has claimed a division. The division bell will ring for three minutes.

MS CYD HO (in Cantonese): I also have to state that I pressed the wrong button just now. I am very sorry, Mr Albert HO, I actually support your amendment. I would like to put on record that I pressed the wrong button.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes

(Mr CHEUNG Kwok-che raised his hand)

MR CHEUNG KWOK-CHE (in Cantonese): President, I cannot press the button.

PRESIDENT (in Cantonese): You may press it again.

(Mr CHEUNG Kwok-che's voting button still did not work)

PRESIDENT (in Cantonese): Mr CHEUNG Kwok-che, your voting button is out of order. You may state aloud on how you will vote later on.

PRESIDENT (in Cantonese): Voting shall now stop and the result will be displayed. Mr CHEUNG Kwok-che, what is your vote?

MR CHEUNG KWOK-CHE (in Cantonese): I voted for it.

PRESIDENT (in Cantonese): Mr CHEUNG Kwok-che supported this motion.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the motion.

Dr Raymond HO, Mr WONG Yung-kan, Mr LAU Wong-fat, Mr Abraham SHEK, Mr WONG Ting-kwong, Prof Patrick LAU, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the motion.

Mrs Sophie LEUNG, Ms Miriam LAU, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Paul CHAN and Mr CHAN Kin-por abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, 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, Mr LEUNG Kwok-hung, Miss Tanya CHAN, Mr Albert CHAN and Mr WONG Yuk-man voted for the motion.

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 and Mrs Regina IP voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 19 were present, four were in favour of the motion, nine against it and six abstained; while among the Members returned by geographical

constituencies through direct elections, 29 were present, 19 were in favour of the motion and nine against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negated.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 3 pm tomorrow.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for the Environment to Dr Raymond HO's supplementary question to Question 1

According to the information provided by the Planning Department, the total area of the Tsueng Kwan O Area 137 is about 104 hectares.

Appendix II**WRITTEN ANSWER****Written answer by the Director of Environmental Protection to Ms Starry LEE's supplementary question to Question 2**

On 22 January 2010, a citizen of Hong Kong made an application for judicial review regarding the air quality impact assessment in respect of Hong Kong section of the Hong Kong-Zhuhai-Macao Bridge project. On 18 April 2011, the Court of First Instance (CFI) handed down the Judgment which rejected six of the seven issues contended by the Applicant. After seeking legal advice and considering relevant factors thoroughly, the Environmental Protection Department (EPD) lodged an appeal against the Judgment on 13 May 2011. At present, the EPD shall follow the specified process and time schedules of the Environmental Impact Assessment Ordinance (EIAO) and the Judgment when deciding on all applications submitted under the EIAO.

The EIA process is open and transparent. Respective information on different stages of a project which undergoes EIA process under the EIAO can be located on EPD's website. The latest information of individual project will be updated periodically. The concerned website address is as follows: <<http://www.epd.gov.hk/eia/cindex.html>>. Overall, the Judgment will to a certain extent affect some projects undergoing EIA process but each project will be affected to a different degree. In the interim, project proponents should review their projects and observe the requirements of the Judgment.