

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 15 February 2012

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

THE HONOURABLE 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, G.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, J.P.

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, J.P.

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

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

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

TABLING OF PAPERS

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

Subsidiary Legislation/Instrument	<i>L.N. No.</i>
Mutual Legal Assistance in Criminal Matters (Finland) Order (Commencement) Notice	21/2012

Other Papers

- No. 70 — Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2011 and the Results of Value for Money Audits (Report No. 57)
(February 2012 — P.A.C. Report No. 57)

Report No. 12/11-12 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

ADDRESSES

PRESIDENT (in Cantonese): Addresses. Dr Philip WONG will address the Council on the Report of the Public Accounts Committee No. 57.

**Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2011 and the Results of Value for Money Audits (Report No. 57)
(February 2012 — P.A.C. Report No. 57)**

DR PHILIP WONG (in Cantonese): President, on behalf of the Public Accounts Committee (PAC), I table our Report No. 57. This Report corresponds with the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2011 and his Report No. 57 on the results of value for money audits (Audit Report).

The PAC's Report contains three main parts:

- (a) the PAC's assessment of the actions taken by the Administration in response to our recommendations made in the PAC's previous Reports Nos. 54 and 55;
- (b) our observations on the Report of the Director of Audit on the Accounts of the Government for the year ended 31 March 2011; and
- (c) the conclusions reached by the PAC on the Audit Report.

On the Audit Report, the PAC has, as in the past, selected for detailed examination only those chapters in the Audit Report which, in our view, contained more serious allegations of irregularities or shortcomings. The Report tabled today covers our deliberations on the three chapters selected.

I now succinctly report the conclusions and recommendations made by the PAC.

Regarding the chapter on "Food labelling and nutrition labelling of infant and special dietary foods", the PAC considers that the Administration has failed to effectively discharge its role as the food safety authority in overseeing and regulating the nutritional composition and labelling of infant and special dietary foods marketed in Hong Kong, and hence public health has not been adequately safeguarded. The PAC expresses deep regret in this regard and finds it unacceptable.

The PAC notes that although the Administration undertook in as early as 2005 to review the need for introducing nutrition labelling requirements covering infant and special dietary foods, up until today, after a lapse of six years, no such review has been conducted by the Administration. Despite the fact that many countries have already developed comprehensive ordinances or regulations governing the nutritional composition and labelling of infant and follow-up formulae to be marketed in their countries, Hong Kong has not yet developed such ordinances or regulations. Moreover, since the International Code of Marketing of Breast-milk Substitutes was issued by the World Health Organisation (the WHO Code) some 30 years ago, many countries have already developed their advertising and marketing guidelines applicable to their own countries for compliance by the trade. Nevertheless, no measures have been taken in Hong Kong to require compliance with the WHO Code.

Against the above background, the PAC considers that the Secretary for Food and Health has been inordinately slow in considering the introduction of appropriate ordinances or regulations to govern nutritional composition and labelling of infant and special dietary foods marketed in Hong Kong, and that Hong Kong is lagging behind many countries in regulating the various aspects of infant and follow-up formulae.

The Audit Report has also revealed that there are cases of blatant breaches of the standards of the Codex Alimentarius Commission and the WHO Code. However, since it is not a legal requirement in Hong Kong to comply with those standards and the WHO Code, no action or prosecution against such breaches has been taken or instituted by the Administration.

Besides, the PAC finds that the Centre for Food Safety (CFS) and the Food and Environmental Hygiene Department (FEHD) have not given the appropriate priority to protecting the health of infants and people with special dietary needs.

Although the practice of promoting foods for infants through making nutrition, health and other claims is prevalent in Hong Kong and even the Director of Health has admitted that the growing trend of making misleading or exaggerated claims in promoting formulae for young children is a cause for concern, the CFS has not taken proactive actions to verify the validity of such claims, or to stop food traders from making such claims. Also, the CFS and the

FEHD have not always properly followed through the complaints and enquiries they received.

The PAC expresses astonishment at the above situations and considers them totally unacceptable.

The Audit Report has also revealed that food traders have increasingly used nutrition and health claims to promote conventional foods. Nevertheless, health claims are not governed by any specific ordinance in Hong Kong. The Administration can only rely on the general provisions of the Public Health and Municipal Services Ordinance to regulate health claims on conventional foods, yet no successful prosecution has been brought against any food traders for improper health claims on conventional foods. The PAC finds the situation unacceptable.

I now turn to the chapter on "Water losses from unauthorized consumption and inaccurate metering".

The PAC notes that in 2010, unauthorized water consumption and inaccurate metering led to a total water loss of 34.94 million cu m, representing 4% of the total freshwater supply in the year and involving estimated notional water charges forgone of some \$160 million. We consider that the Water Supplies Department (WSD) has simply followed established practices and procedures when taking enforcement actions against unlawful water taking. It lacks the initiative to improve the strategies for addressing the unlawful water taking problem and has not identified ways to resolve the problems encountered in enforcement work. The PAC expresses astonishment at those situations.

While the PAC notes that the WSD has focused on water losses due to water mains leakage and bursts and has not accorded a high priority to addressing the problem of water losses from unauthorized water consumption and inaccurate metering, the PAC does not accept such an approach.

The Audit Report has also revealed that from 2008 to 2010, the number of unlawful water taking convictions had increased significantly by 52%. Nevertheless, the WSD has failed to take the initiative to seek the assistance of other government departments in preventing and deterring unlawful water taking activities. For instance, the WSD has neither informed the FEHD of unlawful water taking offences occurring at public markets nor notified the responsible

government departments of cases of convicted unlawful water taking that took place at government works sites so that the relevant departments may take follow-up actions. The PAC expresses serious concern over such situations and finds them unacceptable.

In considering the chapter on "Food labelling and nutrition labelling of infant and special dietary foods", the PAC was dissatisfied that the Secretary for Food and Health and the Director of Food and Environmental Hygiene had failed to inform the Audit Commission (Audit) of their disagreements with certain evidence presented in the draft of the Audit Report but only made known their views and raised the disagreements at the public hearings held by the PAC. We have encountered similar situations in the past and consider such an approach inappropriate. Therefore, we urge the Secretary for Financial Services and the Treasury to remind all bureaux and departments that they should inform Audit of their disagreements with any contents of an Audit Report when giving comments on the draft of the report, so that Audit can take their views into consideration when finalizing the report or address their views in the report.

Moreover, the PAC notes that although different bureaux and departments have different responsibilities and the "risks" faced by them vary accordingly, given that the resources of bureaux and departments are limited, using a risk-based approach in deploying resources could help them achieve the most with their limited resources. In view of this, the PAC urges the Secretary for Financial Services and the Treasury to promote the adoption of a risk-based approach among bureaux and departments in the performance of their functions where appropriate.

President, as always, the PAC has made its conclusions and recommendations in this Report with the aim of ensuring the achievement of value for money in the delivery of public services by the Administration.

Lastly, I wish to register my appreciation of the contributions made by members of the PAC. Our gratitude also goes to the representatives of the Administration who attended the hearings held by the PAC. I would also like to express our gratitude to the Director of Audit and his colleagues, as well as the staff of the Legislative Council Secretariat, for their unfailing support.

President, I so submit.

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

PRESIDENT (in Cantonese): Questions. I have permitted Mr LEE Wing-tat to ask an urgent question under Rule 24(4) of the Rules of Procedure.

Allegation of Conflict of Interests Involving a Chief Executive Candidate

MR LEE WING-TAT (in Cantonese): *President, it has been reported earlier by the media that in the West Kowloon Reclamation Concept Plan Competition (the Competition) held in 2001-2002, a member of the Jury had connections with a participant but did not declare the interest, causing members of the public to query whether conflict of interest was involved, and such member of the Jury has already announced that he will stand in the forthcoming Chief Executive Election, hence there are candidates of the Chief Executive Election as well as subscribers urging the Government to disclose all the information at that time to address public concerns. In this connection, will the Government inform this Council:*

- (a) *whether the authorities will immediately make public information relating to the adjudication of the Competition at that time, including the eligibility to be a Jury member, requirements for declaration of interests by members of the Jury, contents of the declarations of interests made by the various members of the Jury, adjudication procedures and results, as well as the number of proposals being disqualified and the reasons for their disqualification; if they will, when they will do so; if not, of the reasons for that;*
- (b) *regarding the declaration of interests by the member of the Jury of the Competition who will stand in the Chief Executive Election, whether the authorities will make public all specific information, including the ranking of the proposal involved, the grade assigned to it by each Jury member, the reasons for its disqualification, and whether the participant was informed of the ranking as well as the reasons for disqualification, and the reasons why the authorities decided not to disclose the incident at that time; whether the authorities have assessed the impact of continuing not disclosing the incident on the forthcoming Chief Executive Election (including the nomination procedure currently in progress); and*

- (c) *focusing on the aforesaid incident, what immediate measures the authorities will take to ensure that the forthcoming Chief Executive Election will be conducted in a fair, impartial, and open manner?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Competition was held in 2001-2002. The entries were adjudicated by a Jury comprising local and overseas renowned experts, and the design featuring a great canopy was selected as the winning entry. The Competition result was announced on 28 February 2002. We did not proceed with construction works according to this winning scheme due to subsequent controversies, and the design of the West Kowloon Cultural District (WKCD) had to start afresh. Nonetheless, the Competition and the adjudication process had been completed. Ten years from then, a magazine has recently raised enquiries about the declarations of interest by members of the Jury. The Government then received repeated enquiries from various media organizations concerning the Competition.

The WKCD project, previously handled by the then Planning and Lands Bureau, is now under the portfolio of the Home Affairs Bureau. After the Government received media enquiries, colleagues in the Home Affairs Bureau dutifully examined dozen of files, and replied to media enquiries as far as possible according to the records. On the premise of safeguarding public interest and complying with the confidentiality requirements, the Government issued a press release on 8 February in response to media enquiries.

My reply to the three parts of Mr LEE's question is as follows:

- (a) The adjudication of the Competition was carried out in confidence. In April 2001, the Government issued the Competition Document containing general conditions of the Competition, including entry requirements, anonymity of participants, assessment criteria, and intellectual property rights, and so on. Potential participants could refer to the Competition Document for a membership list of the Jury, which comprised 10 members from Hong Kong and overseas, including Lord ROTHSCHILD as the Chairman.

The Competition Document contains a clause on ineligibility, providing that all those likely to be in conflict of interest are excluded from the Competition.

To ensure the justice and fairness of the adjudication process, members of the Jury had to declare whether, to the best of their knowledge, any party with which they were closely associated had entered the competition, and if so, the details of the matter. They also accepted the need to maintain strict confidentiality.

The Jury met from 25 to 28 February 2002 at the Hong Kong City Hall in Hong Kong. The Jury spent 26 and 27 February on the adjudication of entries and the morning of 28 February finalizing the Competition results and compiling its commentary on the five winning entries that it had selected as the five winners. Members of the Jury agreed upon an elimination process for selecting the winning entries. Subsequently, on 26 and 27 February, the Jury assessed the entries, and selected the first prize winner, second prize winner and three honourable mentions for the Competition. The entries were assigned serial numbers by the Competition Organizer to maintain their anonymity during the adjudication process. The Jury was informed of the identity of the winning entrants at noon on 28 February, after it had chosen the five winning entries and only three hours before the results of the Competition were announced.

The Jury published the Jury Report in September 2002, setting out the adjudication process and results. The Report stated that the Competition had attracted 161 entries from Hong Kong and overseas, and that 13 entries had been disqualified for "failing to meet the competition requirements in specific non-technical respects".

- (b) Paragraph 33 of the Competition Document provides that "the assessment process will be carried out in strict confidence. The Organizer shall not disclose the details of the assessments". On 18 April 2005, the Government submitted to the Legislative Council Subcommittee on West Kowloon Cultural District Development a paper concerning the Competition for discussion on the 22nd of the same month. It was explained in the paper that "given the

significance of the development of the WKCD, we had carefully designed the details of the Competition with the assistance of renowned international experts in the field to ensure that the Competition was in line with best international practice".

As design competitions involve sensitive commercial information, it is international practice to maintain confidentiality. Otherwise, it may not be fair to the entrants. The Government was mindful of striking a balance between confidentiality requirements and public interest when issuing the press release on the 8th of this month in response to media enquiries. The Government had followed its usual approach in disclosing information, providing only facts without any political consideration. After the press release had been issued, given the request of Mr LEUNG Chun-ying, a member of the Jury to the Government, to disclose all the records relating to the Competition and related enquiries made by the media, the Government wrote to Mr LEUNG Chun-ying and Dr Kenneth YEANG yesterday in the hope of obtaining their consent for disclosing information relating to them in the Competition. The Government will decide the way forward after considering their responses.

The HKSAR Government's position has been acting strictly by the law to ensure that elections are conducted in a fair, just and honest manner. Since the disclosure of the relevant information is based on facts, we do not think that it will affect the forthcoming Chief Executive Election as well as the nomination process of the Chief Executive Election which commenced yesterday.

- (c) For any election, including the forthcoming Chief Executive Election, we adhere to the principle that the election should be held in a fair, just and honest manner. The Electoral Affairs Commission (EAC) will act in accordance with relevant legislation, regulation and election guidelines. The EAC will handle seriously and impartially any violation of the legislation and regulation by any person. I want to reiterate that the SAR Government will strictly adhere to the principle that the Election should be held in a fair, just and credible manner; this is beyond doubt.

MR LEE WING-TAT (in Cantonese): *President, I wish to declare that I am a member of the political party to which Mr Albert HO, a Chief Executive candidate, belongs, that is, the Democratic Party. Also, I am his subscriber in the Election.*

President, regarding the adjudication of the Competition, members of the public have criticized the Government for releasing information in a selective manner. They have even queried if such a practice is adopted to assist one camp to deal a blow to the other and, as a result the Government's impartiality in the Chief Executive Election has been subject to significant impact.

President, my supplementary question is: Can the Government, on the ground of public interest, disclose all information relating to the adjudication of the Competition, including those senior government officials (say Secretaries of Departments and Directors of Bureaux or Chief Executive TUNG Chee-hwa) who decided to cover up this matter for 10 years at that time, rather than making it public bit by bit in response to our enquiries like "squeezing toothpaste out of a tube" now, causing such selective dissemination of information to continue?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as I mentioned just now, the SAR Government is absolutely neutral in this Election, so as to ensure it will be conducted in a fair and just manner. Therefore, the allegation that the SAR Government intends to deal a blow to any one of the candidates is totally unfounded. I also mentioned just now that the SAR Government issued a press release this time merely in response to media enquiries. Upon receipt of such enquiries, colleagues in the Home Affairs Bureau examined dozen of files and identified some facts. According to their report to me, the information was released according to certain criteria and after considering certain basic factors including, first of all, confidentiality requirements stipulated in the Competition Document; second, public interest; third, communications involving a third party; fourth, the targeted approach under which information disclosure should be related to matters of concern to the media and the public; and fifth, whether there is such disclosure in the public domain, that is, such information is in the public domain. The Government released the information according to these criteria, rather than disclosing it in a selective manner.

Earlier on, Mr LEE asked if the information had been covered up for a long time until its disclosure now. Such allegation is also unsubstantiated. As we can see from the Document, first of all, when the secretariat discovered that a Jury member was suspected of having connections with a team participating in the Competition, it did not recommend any disqualification; secondly, the whole "jury"

PRESIDENT (in Cantonese): Secretary, are you referring to the Jury of the Competition?

SECRETARY FOR HOME AFFAIRS (in Cantonese): Yes, it should be the Jury of the Competition. Did I mention it wrongly as the "jury"? It is just a slip of the tongue. Upon completion of its discussion, the Jury did not suggest that the Competition be conducted afresh. Thirdly, the Chairman of the Jury did not recommend the SAR Government to take any action at any time. From the Document, we cannot see any intervention by any government official. Earlier on, Mr LEE asked if any government officials had intervened in the adjudication. We cannot identify such a situation from the Document. Nonetheless, I have made enquires personally with the then Secretary for Planning and Lands, that is, the incumbent Financial Secretary John TSANG. He said that he totally respected the decision made by the Jury of the Competition, not the "jury". Moreover, he did not report the matter to his immediate superior, that is, the then Chief Executive TUNG Chee-hwa. It is the Government's practice that as a Jury is formed to select a winner for the Competition, its decision should be fully respected.

In fact, as stated in the paper regarding the Competition submitted to the Legislative Council subsequently, the decision of the Jury was final. It was a separate issue as for how the SAR Government applied the winning design to the future construction works. The results of the Competition were decided by the Jury, which explained why Secretary John TSANG did not report the matter to Mr TUNG Chee-hwa at that time. As for those vivid reports by the media, they are totally unfounded. I have worked in the mass media before, and I despise such fabrications.

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

MR LEE WING-TAT (in Cantonese): *My follow-up question is very simple. Lastly, may I ask the Government, given that the public is greatly concerned about the incident, why doesn't it disclose all the information in public interest? The Secretary simply makes public the information bit by bit, like "squeezing toothpaste out of a tube" now. Why he does not consider disclosing all the information?*

PRESIDENT (in Cantonese): Will the Government disclose all the information? Secretary, please reply.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I have mentioned in my main reply earlier that we had employed Mr LACY, an international expert as shown in the files, to design all arrangements and procedures of the Competition. Hong Kong, being an international metropolis, should hold the Competition in line with practices and criteria commonly adopted in the international community. And it is an international practice to maintain confidentiality of such information.

We also note from the files that there were 161 teams participating in the Competition. In order to make public all the information, we have to obtain the consent of all these teams, including some from Hong Kong and the Mainland, as well as dozens of teams from Germany and three from the United Kingdom. Should we wish to disclose which team was ranked 161st in the Competition, is it in line with the international practice? We should respect the confidentiality requirements of information in the commercial sector, which is the commitment we have made. Moreover, some international competitions relating to the WKCD will be held soon. Hong Kong should demonstrate its commitment to complying with the international practice. As such, we have to prudently consider whether all the information can be disclosed now.

MR CHEUNG MAN-KWONG (in Cantonese): *President, first of all, I wish to declare that I am a member of the Democratic Party and a subscriber of Mr Albert HO in the Chief Executive Election.*

As we all know, the WKCD Competition involves the integrity of Mr LEUNG Chun-ying, a Chief Executive candidate. The question is: whether the DTZ Debenham Tie Leung, to which he belonged, was described as a working partner in the relevant papers; and whether it had appointed four key staff members and even two general managers to join the Competition, despite LEUNG Chun-ying's role as an adjudicator for ranking the entries? Had LEUNG Chun-ying omitted the declaration as a result of negligence or with an intention to cover up the fact? All these will have an impact on the imminent Chief Executive Election, including the nominations and voting inclinations of 1 200 members of the Election Committee.

Therefore, as for the disclosure of all the facts in this incident — all the facts relating to LEUNG Chun-ying rather than those relating to other participating firms — including all information relating to LEUNG Chun-ying in the Competition as well as some internal papers of the DTZ Debenham Tie Leung, is it an extremely crucial and overriding concern of public interest? He may have an opportunity to govern Hong Kong in the next five years

PRESIDENT (in Cantonese): Mr CHEUNG, please raise your supplementary question.

MR CHEUNG MAN-KWONG (in Cantonese): *I have this question for the Government. Of course, the Government can obtain LEUNG Chun-ying's consent. But solely in view of the extremely crucial concern of public interest at stake in the Chief Executive Election, is it already justified to submit information relating to LEUNG Chun-ying or the DTZ Debenham Tie Leung to the Legislative Council, so that all the truth can be exposed under the sun and the Chief Executive Election can be conducted in an open and transparent manner?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Government had announced the facts obtained from the files to the public in the

press release on 8 February. In examining the files, we noticed that there was no mention of the issue of integrity and declaration of interest in any part of them. We had made public the whole process in the press release on 8 February. Just now, Mr CHEUNG asked if the Government could make public only the information relating to Mr LEUNG. As we all know, the Government wrote to Mr LEUNG yesterday to seek his consent for release of the information relating to him.

MR CHEUNG MAN-KWONG (in Cantonese): *Regarding the supplementary questions raised by me and Mr LEE Wing-tat, the Secretary has failed to answer a most crucial part.*

PRESIDENT (in Cantonese): Mr CHEUNG, please repeat your supplementary question concisely.

MR CHEUNG MAN-KWONG (in Cantonese): *In this incident, no matter consent can be obtained from Mr LEUNG or Dr YEANG or not, does it involve significant public interest per se? It is because the Chief Executive Election is at stake, which is about to commence. Should the authorities reveal those parts relating to the persons concerned under the sun, so that the public or members of the Election Committee can make their own judgment?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, in fact, the Government had not obtained consent from Mr LEUNG Chun-ying before making the press release on 8 February. It was made after striking a balance between compliance with the principle of confidentiality and public interest, in which the whole picture of the incident was revealed. As to the further publication of any information, we think Mr LEUNG's consent should be sought.

MR WONG KWOK-KIN (in Cantonese): *President, as pointed out in the main reply, the Government will follow its usual approach to disclose information to the public. However, I remember that not long ago, the media had also made enquiries with the Government regarding some negative news about another*

Chief Executive candidate, such as integrity checking prior to his appointment. However, it seems that the Government did not respond to them so proactively, arousing public queries about its stance. There is evidence to support this point.

As it is mentioned in the main reply that the information relating to them in the Competition will be released, my supplementary question is: Will the Government disclose all the information or only part of it? I wish to know more about it. Why am I raising this supplementary question? It is because I received a telephone enquiry from a journalist last Saturday, who had been told by government sources that part of the Competition Document had been destroyed for no reason. He asked me, in the absence of part of the Document, would Members of the Legislative Council invoke the Legislative Council (Powers and Privileges) Ordinance to summon the officials concerned to tell the truth under oath? I was very shocked at that time

PRESIDENT (in Cantonese): Please raise your question again clearly.

MR WONG KWOK-KIN (in Cantonese): *I am asking the Government this question: will it disclose all the information or only the part that it wishes to disclose in future? I think it is a matter of impartiality and justice. Should only part of the information be released, we will suspect the Government of covering up the part not to its advantage.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as far as I know, the information was not destroyed.

MR JAMES TO (in Cantonese): *President, before raising my question on part (b) of the main reply, I wish to declare an interest. I am a subscriber of Mr Albert HO, a Chief Executive candidate.*

In part (b) of the main reply, the Government mentioned that it had written to Mr LEUNG and Dr Kenneth YEANG of the T.R. Hamzah & Yeang in the hope of "obtaining their consent for disclosing information relating to them in the Competition". May I ask the Government whether it is possible that consent can

be obtained from both Mr LEUNG and Dr YEANG? In case the information is related to Mr LEUNG or Dr YEANG's company, will the Government seek their consent? In case they decline to give consent, what can it do then? If the Government decides to make public the information relating to Mr LEUNG and Dr YEANG, will such information be released in a piecemeal manner, rendering us unable to know the part relating to Mr LEUNG and Dr YEANG's company and thus determine whether benefits were involved and the qualifications of being a Jury member were affected? Will the Government, on the premise of safeguarding public interest, eventually extend the scope of its consideration beyond the interest of Mr LEUNG, Dr YEANG or their companies?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we have sought legal advice and considered it most crucial to obtain consent from the persons involved. If they are willing to disclose the information, we will be more confident to do so. Their consent is a very important factor for consideration, though it is not exclusive. Frankly, as mentioned by Mr TO, if significant public interest or other factors are involved, the Government will give due regard to them solemnly.

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

MR JAMES TO (in Cantonese): *Mr LEUNG and Dr YEANG's company are two different entities. In view of this, will it affect the Government in considering the so-called "information relating to them"?*

PRESIDENT (in Cantonese): Secretary, the Member is asking if the Government will take their companies into account.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we had written to them respectively yesterday.

PRESIDENT (in Cantonese): His question is: Will their companies be taken into account as well?

SECRETARY FOR HOME AFFAIRS (in Cantonese): I have to check if the addressees of the letters are their companies or they themselves.

MR JEFFREY LAM (in Cantonese): *President, architects, surveyors, planners*
.....

PRESIDENT (in Cantonese): Mr LAM, do you need to declare that you are the subscriber of which potential candidate?

MR JEFFREY LAM (in Cantonese): *President, Mr Albert HO is my colleague in the Legislative Council. I also know the three As they have not yet submitted their applications for standing in the Election, I need not make any declaration of interest.*

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

MR JEFFREY LAM (in Cantonese): *Okay. President, as you have mentioned the declaration of interest, I wish to declare that I am a Board Member of the West Kowloon Cultural District Authority, and I know the three potential Chief Executive candidates. One of them has submitted his application for standing in the Election, whilst the other two are prepared to do so.*

President, as I have just said, the relationship among architects, surveyors, planners and designers is very complicated. In such a large-scale design with far-reaching implications on Hong Kong, it is very important for the Jury members to declare their interests and they are duty-bound to do so. Therefore, they are responsible for checking if such complicated relationship will be involved in adjudication.

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

MR JEFFREY LAM (in Cantonese): *President, the Secretary has also mentioned earlier that some omissions were identified in the declaration of interest, and they had handled and discussed them accordingly. However, as mentioned by the Secretary, they (the Jury) and even Mr John TSANG (the Secretary at that time) had not reported the matter to the then Chief Executive TUNG Chee-hwa. May I ask the Secretary, whether Mr TUNG Chee-hwa, on the contrary, made enquiries with the Jury regarding the adjudication and declaration of interest?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, in my main reply and address earlier on, I did not mention any omission by Jury members, and the facts that should be revealed were already announced in the press release. Mr LAM asked just now if Mr TUNG had made any enquiries regarding this matter. As I have mentioned earlier, given that an independent Jury was formed, its independence should be respected. Therefore, during the whole process of adjudication, the Government did not make intervention at all. Subsequently, the Executive Council discussed the work progress on WKCD. Under such circumstances, Mr TUNG should have noted that Mr LEUNG Chun-ying, a Member of the Executive Council at that time, had made declaration of interest in this regard.

MR JEFFREY LAM (in Cantonese): *President, I wish to make an additional declaration of interest. I am prepared to subscribe to the nomination of Mr Henry TANG as a candidate in the Election.*

PROF PATRICK LAU (in Cantonese): *President, first of all, I declare that I am one of the Jury members of the Competition. After reading the Secretary's main reply to Mr LEE's question, I wish to seek an elucidation on the part which is relatively crucial. As stated at the end of part (a) of the main reply, "13 entries had been disqualified for 'failing to meet the competition requirements in specific non-technical respects'". Given that the incident happened 10 years ago, I could not recall those entries which were disqualified I remembered very clearly that I had also asked the Government if such entries could be disclosed, and the*

Government advised that the names of the persons should not be disclosed. However, the Secretary mentioned a name just now, making public that Dr Kenneth YEANG's entry had been disqualified. May I ask if Dr YEANG's entry was one of the 13 entries disqualified? Can the Secretary make it clear? Many journalists have made enquiries with me, but I cannot answer them. We should also note that the most crucial point is an entry had been disqualified. Therefore, I have to figure out whether the said entry was among those 13 disqualified and the Government did not reveal it for reasons of confidentiality.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we could not find any list of participants in the papers regarding those 13 disqualified entries. However, we noted from the papers that 12 of them were disqualified at an earlier stage, whilst one was disqualified after the Jury had held a meeting for discussion. However, it was not specified in the papers which entry it was.

MR ABRAHAM SHEK (in Cantonese): *President, I wish to ask the Secretary, in the papers Let me make a declaration of interest first. I will subscribe to the nomination of Mr Henry TANG as a candidate in the Election.*

President, I have these questions for the Secretary. First, would the Jury members know which companies had been disqualified? Second, if they did not know this, would they figure out the reason for their disqualifications?

SECRETARY FOR HOME AFFAIRS (in Cantonese): During our examination of the files, we noted that the procedures were as follows: first of all, the Government selected 10 persons to form the Jury and provided potential entrants with a set of open information. In fact, entrants were aware of the composition of the 10-member Jury, including Lord ROTHSCHILD as the Chairman. Upon receipt of the list of the 161 entries, the staff members assigned a serial number to each of them, with the names of companies and entrants covered, and sent them to the Jury for adjudication. Mr LAU may be more familiar with these procedures. The Jury, based on their consideration, disqualified 13 entrants eventually. As for the persons related to the entrants disqualified, I believe the Jury made its decision in accordance with the rules of the Competition and adjudication.

MR ABRAHAM SHEK (in Cantonese): *President, that is to say, entrants*

PRESIDENT (in Cantonese): You can only repeat the part that you think the Secretary has not answered.

MR ABRAHAM SHEK (in Cantonese): *May I ask if entrants were aware of the composition of the Jury when they submitted their application forms.*

PRESIDENT (in Cantonese): Mr Abraham SHEK, you need not explain any further. The Secretary has answered the supplementary question you raised just now.

MS EMILY LAU (in Cantonese): *President, first of all, I declare that I am a member of the Democratic Party. I am also a member of the Election Committee for the Chief Executive Election, and I have subscribed to the nomination of Mr Albert HO as a candidate in the small-circle election.*

President, the Secretary mentioned earlier that none of the Jury members had made omission in their declarations of interest. As stated in the main reply, Dr Kenneth YEANG's company was disqualified because of his connections with an adjudicator. Can the Secretary explain to the Legislative Council clearly, given that Dr YEANG had connections with an adjudicator and his company was thus disqualified, why there was no omission at all? Secretary, what had actually happened?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as I have mentioned earlier, I had neither used the term "omission", nor did I say "there was no omission". The role of the SAR Government this time is to provide facts in response to media enquiries. As for Members, in particular those honourable members of the Election Committee, it was a matter of their judgment, rather than that of the SAR Government nor that made by us now. We have never made any comments in this regard.

MS EMILY LAU (in Cantonese): *President, my supplementary question raised just now is very simple. Did anyone omit his declaration of interest? Is it the case that one of the Jury members had omitted to declare that an entrant had connections with him, causing the disqualification of that company? Secretary, you should give us an answer today and cannot simply say that you have not mentioned it at all. In fact, was there such a case?*

PRESIDENT (in Cantonese): Secretary, was the disqualification of that company related to any omission?

SECRETARY FOR HOME AFFAIRS (in Cantonese): As we can see from the papers now, a company having connections with a Jury member, Mr LEUNG Chun-ying, was indeed identified. It was not a key entrant, but it listed Mr LEUNG's company as one of its consultants in the application. As for the question of whether Mr LEUNG Chun-ying had omitted to declare his interest, I have not made any comments on this.

MR IP KWOK-HIM (in Cantonese): *The Secretary has mentioned in his main reply that the Competition Document released in April 2001 contains "a clause on ineligibility, providing that all those likely to be in conflict of interest are excluded from the Competition". May I ask the Secretary if the meaning of conflict of interest was stipulated clearly in the Document? Will he release the specific content of the Document in response to Members' request? Moreover, the Secretary mentioned just now that 13 entries were disqualified for failing to meet the competition "requirements in specific non-technical respects". What do "requirements in specific non-technical respects" mean?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the Document has already been released, which explains why I mentioned earlier that it is in the public domain. The Document, being an old paper, is accessible to the public.

As for the question raised by Mr IP Kwok-him just now, paragraph 16 of the Competition Document provided that: All those likely to be in conflict of

interest are excluded from the Competition. It is also stated in the Document that four types of persons are excluded: (i) persons closely associated with the Competition and their immediate family members; (ii) members of the Jury and the Technical Panel, and the Professional Advisor and their immediate family members; (iii) an employee, any person having an employment-type contract or at continuous and close professional association or partnership with a member in category (i) and (ii) above; and (iv) a company of which a member in category (i) and (ii) above is a director or major shareholder. These four types of persons are listed in the Document. However, this is not exclusive, that is, some other types of persons might also be disqualified.

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

MR IP KWOK-HIM (in Cantonese): *President, the Secretary has not answered what the meaning of "requirements in specific non-technical respects" is.*

PRESIDENT (in Cantonese): You have raised several points in your question. Secretary, will you answer what "requirements in specific non-technical respects" means?

SECRETARY FOR HOME AFFAIRS (in Cantonese): What I have mentioned just now are all "requirements in specific non-technical respects".

MR ALBERT CHAN (in Cantonese): *President, I am a member of the Election Committee. I have no intention to subscribe anyone to stand in this Chief Executive Election as I despise small-circle elections.*

Regarding the controversy over the WKCD this time, it is very strange that some people, who have never shown any concern about this issue have suddenly expressed concern and kept on taking advantage of the situation. President, regarding the WKCD, the "single tender" aroused a lot of controversies at the

outset, and there were accusations of transfer of benefits. In view of an expenditure of hundreds of million dollars and the operation franchise involved in the WKCD, many people in Hong Kong, especially the general public, were gravely worried about transfer of benefits. The controversy this time has further convinced us that transfer of benefits was involved; in particular, some people had sought, directly or indirectly, or by making use of certain status

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

MR ALBERT CHAN (in Cantonese): *to gain benefits. President, this is the crux of the problem*

PRESIDENT (in Cantonese): Mr CHAN, please raise your supplementary question and refrain from making comments.

MR ALBERT CHAN (in Cantonese): *in relation to transfer of benefits about which the public can hardly be convinced. Will the Secretary disclose all the information over the past years from the conception of the WKCD to the recent spate of controversies? The Government cannot, because of certain Chief Executive candidates* *Some people have kept on taking advantages rather than being truly concerned about public interest. They simply wish to take this opportunity to deal a blow to their political opponents or enhance support for candidates from their political parties and groupings. Such acts are most dirty indeed.*

Therefore, will the Secretary consider doing justice to the public by disclosing all the information about the WKCD?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I think I have already answered the question relating to the disclosure of information.

MR ALBERT CHAN (in Cantonese): *I request the Secretary to make a full disclosure of all the information and prevent some political parties and groupings from taking advantage of the situation to enhance support for their candidates.*

PRESIDENT (in Cantonese): Mr CHAN, the Secretary has given a reply on the factors that should be considered and the practice to be adopted by the Government in respect of the full disclosure of all the information. Mr CHAN Kam-lam, the last supplementary question.

MR CHAN KAM-LAM (in Cantonese): *President, the reply given by the Secretary today still fails to allay public concerns about the Government's selective disclosure of information and its responses to media enquiries in this "West Kowloon-gate". May I ask, based on the major principle currently adopted by the Government, such as the premise of safeguarding public interest and confidentiality, whether the public can be given a full picture of the facts without violating the principle of confidentiality?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I think I have already talked about this in my answers to a number of supplementary questions just now. Certainly, we should consider and strike a proper balance between public interest and confidentiality. Our disclosure of information is based on impartiality and facts without any other considerations. I hope the information we have disclosed, together with my replies today, can allay public concerns about this incident. This incident happened 10 years ago and it was dealt with then.

PRESIDENT (in Cantonese): Mr Paul CHAN had pressed the "Request to speak" button before my announcement that it was the last question just now. So, Mr CHAN, I allow you to raise your supplementary question.

MR PAUL CHAN (in Cantonese): *President, I declare that I am a subscriber and supporter of Mr LEUNG Chun-ying. Also, I am a Board Member of the West Kowloon Cultural District Authority.*

President, I note from the main reply that the Government has written to Mr LEUNG and Dr Kenneth YEANG and will disclose information relating to them after obtaining their consent. President, I feel somewhat concerned. Under such a situation, will there be a selective disclosure of information or an omission of part of it inadvertently, making it impossible for the public to grasp all the relevant facts?

For this reason, President, may I ask the Secretary to tell us here, how he can ensure that the disclosure of information in future will reflect the whole picture without any omission? Will he seek assistance from independent and authoritative professionals, so as to ensure that the information to be disclosed in the process can enable us to grasp all the relevant facts, such that we can make an objective and fair judgment?

SECRETARY FOR HOME AFFAIRS (in Cantonese): The information to be disclosed has been stated clearly in our letters to Mr LEUNG and Dr YEANG. As for the question of whether the disclosure is selective, and whether the information is sufficient or one-sided, we will listen to their views.

MR PAUL CHAN (in Cantonese): *President, I asked the Secretary if he would seek assistance from authoritative professionals, so as to ensure that the information to be disclosed in future would present the full picture, all the relevant facts.*

PRESIDENT (in Cantonese): The Secretary has already answered your question. Let me see if he has anything to add.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, I have nothing to add.

PRESIDENT (in Cantonese): Urgent question time ends here. First question.

ORAL ANSWERS TO QUESTIONS**Immigration Clearance and Entry Visas to the Mainland for Foreign Nationals who are Hong Kong Permanent Residents**

1. **DR DAVID LI:** *President, it was announced in the 2001-2002 Policy Address that foreign nationals who are Hong Kong permanent residents may be granted three-year multiple-entry visas to the Mainland. Further, they may also apply to the Hong Kong Immigration Department (ImmD) for Asia-Pacific Economic Cooperation (APEC) Business Travel Cards. Yet neither of these arrangements allows such foreign nationals to use automated passenger clearance channels to enter and exit the Mainland. In this connection, will the Government inform this Council:*

- (a) *whether it has carried out any discussion with the relevant Mainland authorities to extend the automated passenger clearance channel service at Mainland boundary control points to foreign nationals who are Hong Kong permanent residents; and if so, of the outcome; and*
- (b) *whether the Government will approach the relevant authorities to request the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region (OCMFA) to give priority treatment to the visa applications from foreign nationals who hold a Hong Kong Permanent Identity Card, so as to facilitate them to travel between both places without having to wait in a long queue for their visas?*

SECRETARY FOR SECURITY: President, to maintain Hong Kong's key position as an international financial centre, the Government of the Hong Kong Special Administrative Region (HKSAR) has strived to enhance travel convenience for permanent residents of Hong Kong. Currently, there are 144 countries or territories which provide visa-free access or visa-on-arrival arrangements to HKSAR Passport holders.

My reply to the two parts of Dr David LI's question is as follows:

- (a) Since 2005, holders of the Mainland Travel Permit for Hong Kong and Macau Residents, or commonly known as the Home Visit Permit, may, following enrollment, use the automated passenger clearance channels at Mainland boundary control points. Currently, automated passenger clearance channels are set up at immigration control points in major cities including Beijing, Shanghai, Guangzhou, Zhuhai and Shenzhen. The facilities have greatly facilitated immigration clearance of Hong Kong visitors through shortening waiting time.

We have, from time to time, exchanged views with the relevant Mainland authorities on measures to further facilitation for Hong Kong visitors. We are given to understand that the relevant Mainland authorities currently have no plan to extend the automated clearance service to non-Chinese Hong Kong permanent residents holding passports issued by other countries.

Meanwhile, eligible non-Chinese Hong Kong permanent residents may apply for APEC Business Travel Cards through the ImmD to enjoy various travel convenience benefits, including multiple visa-free visits to the Mainland, with up to 60 days of stay for each visit, within the validity period of three years. Currently, major cities on the Mainland, including Beijing, Shanghai and Shenzhen, have set up priority lanes for APEC Business Travel Card holders. In the past three years, the ImmD approved and issued around 10 000 APEC Business Travel Cards to Hong Kong permanent residents with foreign passports.

- (b) One of the duties of the OCMFA is to process and issue Mainland visas in Hong Kong. Its clients include Hong Kong permanent residents who are foreign nationals and visitors who visit the Mainland routing through Hong Kong. Since 2001, non-Chinese Hong Kong permanent residents and their spouses and children are eligible to apply for multiple-entry visas which are valid for up to three years. We understand that the OCMFA is busiest on Mondays and Tuesdays. Hence, persons living or working in Hong Kong may arrange to submit visa applications on other working days of the week. At the same time, the OCMFA indicated that they

would actively consider different arrangements to cope with service demand, including enhancing the facilities of its visa office and the processing efficiency.

Besides, in view of the increase in visa applications submitted by visitors intending to visit the Mainland routing through Hong Kong, the OCMFA has, through its official website, urged foreign visitors to apply for their visas through the Chinese diplomatic and consular missions in their home country in advance before coming to Hong Kong.

DR DAVID LI: *President, will the Government advise whether it is actively exploring expanding the use of e-Channels with its counterparts on the Mainland as a way to speed up Hong Kong and Mainland immigration clearance at the new boundary control points?*

SECRETARY FOR SECURITY: President, at all new control points, including the Express Rail Link, the ImmD will put in place e-Channels and other advanced facilities for use by both local residents and frequent visitors in accordance with prevailing immigration policies and arrangements. As mentioned in my main reply, we will continue to liaise closely with our Mainland counterparts to further facilitate the smooth flow of residents and visitors between both sides and enhanced the use of e-Channels is an important feature in this regard.

PRESIDENT (in Cantonese): Second question.

Impact of Trial Scheme on One-off Ad Hoc Quotas for Cross-boundary Private Cars on Problem of Pregnant Mainland Women Giving Birth in Hong Kong

2. **MISS TANYA CHAN** (in Cantonese): *President, the trial scheme on one-off ad hoc quotas for Guangdong/Hong Kong cross-boundary private cars (self-drive tour scheme) will be launched in March this year, and in the first phase Hong Kong private cars will be permitted to apply for one-off quotas for*

self-drive tour to Guangdong Province, and in the second phase private cars from Guangdong Province will be permitted entry to Hong Kong, but there is no mandatory requirement for car owners of the two places to sit for any examination or lesson before obtaining approval of the quotas. It has been reported that an online group against the self-drive tour scheme was established early this month and some members of the public joining the group worry that the self-drive tour scheme will worsen the problem of "doubly non-permanent resident pregnant women" entering the territory. In this connection, will the Government inform this Council:

- (a) whether the Government has assessed if the self-drive tour scheme will have an impact on the problem of "doubly non-permanent resident pregnant women" entering the territory; if it has, of the details; if not, whether it will conduct such an assessment; and*
- (b) given that at present, quite a number of pregnant Mainland women who have not made any advance appointment of hospital obstetric services bypass the interception of officers of the Hong Kong Immigration Department (ImmD) at boundary control points by crossing the border by cars, whether the Government has any measure to prevent and combat agencies or agents on the Mainland arranging pregnant Mainland women who have not made any advance appointment to come to Hong Kong through the self-drive tour scheme, or pregnant Mainland women themselves making use of the scheme to give birth in Hong Kong; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President, the Governments of Guangdong and Hong Kong will launch the first phase of the self-drive tour scheme in March 2012, under which qualified owners of Hong Kong private cars with five seats or less are allowed to apply for such quotas to enter Guangdong for a short stay not longer than seven days. Arrangements for Mainland private cars to enter Hong Kong with ad hoc quotas fall under the second phase of the scheme, of which there is no concrete timetable. The relevant arrangements require further discussion by the Guangdong and Hong Kong experts, and specific details and implementation date will depend on the outcome of the first phase.

In formulating the arrangements of the scheme, we adhere to some principles, including (a) exercising due care and by launching a trial first to ascertain the effects; (b) introducing the scheme under a highly regulated environment, with road safety and network capacity as the fundamental considerations and taking into account the impact on the environment; (c) starting with a small number of quotas, which can be adjusted flexibly having regard to special circumstances; and (d) requiring full details in all the applications which will be carefully vetted and properly screened.

All the cross-boundary private cars under the scheme are not allowed to be used for commercial purposes, including carriage of passengers for reward. In case of non-compliance, the police will follow up and handle the case in accordance with the law.

The Hong Kong Police have all along been paying attention to the situation regarding non-compliant commercial use of cross-boundary vehicles for carriage of passengers, including carrying "doubly non-permanent resident pregnant women" to Hong Kong. The police have stepped up random checks on cross-boundary vehicles to combat the relevant crimes, and will send the relevant information to the Mainland authorities for follow-up. If necessary, the police will seek assistance from the Mainland authorities in the investigation.

The problem associated with "doubly non-permanent resident pregnant women" crossing the border shortly before labour has existed for some time, which has caused tremendous pressure on the overall obstetric and neonatal care services. In this regard, the Administration has already introduced a series of measures to deter Mainland pregnant women without booking from entering Hong Kong for delivery. Relevant government departments and the Hospital Authority are actively implementing these measures.

To prevent non-local pregnant women from entering Hong Kong for delivery without being intercepted by taking cross-boundary private cars, the ImmD will collaborate with other departments to carry out checks. The relevant departments will also implement targeted measures and launch raids based on the intelligence collected and data analysis, and step up random checks on cross-boundary vehicles.

As the case of other cross-boundary private vehicles, if a private car under the scheme is found to be carrying a Mainland pregnant woman, the ImmD staff will interrogate the person concerned and ask her to present the "Certificate on confirmed antenatal and delivery booking" (the Certificate) issued by a hospital in Hong Kong, proving that she has made a booking for admission to the hospital. If the persons concerned are unable to produce the Certificate, they will probably be refused entry.

The Department of Health is taking measures to enhance assistance to the ImmD staff by providing additional healthcare manpower at the boundary control points. The ImmD also maintains close liaison with the Mainland authorities to deter non-local pregnant women from seeking entry shortly before labour. There is a precedent case of successful prosecution by the ImmD against an agent aiding Mainland pregnant women to give birth in Hong Kong recently. The offender has been sentenced to imprisonment of 10 months. We believe that this successful prosecution case will greatly enhance the deterrent effect.

The police have been closely monitoring the *modus operandi* and promotion tactics of agencies in Hong Kong. If any unlawful acts are detected, enforcement actions will be taken in accordance with the relevant legislation. For agencies operating in the Mainland, the police have been conducting joint investigations with the Mainland authorities to combat cross-boundary illegal practices.

Furthermore, the Governments of Guangdong and Hong Kong will possess detailed information of the applicants, drivers and vehicles using ad hoc quotas. In case of non-compliance with the laws and regulations, the two Governments will definitely follow up on the case in accordance with the law. Holders of ad hoc quotas are only allowed to make one round trip to and from Guangdong Province during the specified period and through the Shenzhen Bay Port. There will be designated clearance kiosks for cross-boundary vehicles using ad hoc quotas at the boundary control point. As such, the Administration has ample information about the persons and vehicles concerned, which will facilitate follow-up and investigation of suspected cases by the law-enforcement departments.

To prevent abuse of the ad hoc quotas for commercial purposes, we have put in place suitable measures in designing the implementation arrangements for

the scheme. For example, we would require that each owner can only apply for one quota at one time, and that a new reservation can only be made at least six weeks from the quota start date of the last quota approved; the applicant has to be on broad the private car concerned upon entering Guangdong Province and returning to Hong Kong; the applicant also has to be one of the designated drivers and meet the eligibility requirements. The private cars concerned can only be driven by no more than two designated drivers into Guangdong Province and no one else. If the private cars issued with ad hoc quotas are found to have been used for carriage of passengers for reward in contravention of regulation, prosecution will be initiated by the police in accordance with the law. New ad hoc quota applications by the owners or drivers concerned will not be accepted once they are convicted or before the related legal proceedings are concluded.

Therefore, we believe that the implementation of the scheme will not have implication for the problem of entry of "doubly non-permanent resident pregnant women".

MISS TANYA CHAN (in Cantonese): *President, you need not worry because I will definitely not throw anything. I am just using this model car, which resembles a black-box hearse, to illustrate to Members that the self-drive tour scheme is a black-box operation. As the driver's seat remain on the right, I really have no idea what will happen to these private vehicles after crossing the boundary northward.*

During the signature campaign launched in relation to this scheme by the Civic Party on the streets, members of the public basically came in droves, and within a matter of two hours, more than 2 000 signatures were collected. There were simply too many people that we could not attend to them all. This black-box operation has already caused grave concern among them. Despite the Government's repeated explanations that there is no timetable for the implementation of the second phase and various principles of implementation have been put in place, members of the public already have great reservations about the first phase of the scheme. May I ask under what circumstances the Administration will be willing to put the scheme, including the first phase, on hold?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we will proceed with great prudence. First of all, this is a trial, which will be implemented very carefully. In fact, we began discussing this scheme back in 2008 and took questions from Members at a meeting of the Panel on Transport, during which all Members expressed understanding. When the relevant proposals were put forward, Members generally welcomed them and considered that a trial should be launched to ascertain the effects of the measures.

Hence, Members can put their mind at ease. First of all, we will proceed with great prudence by launching a trial first. Secondly, the scheme will be conducted under a highly regulated environment with regard to road safety, network capacity and the impacts on the environment. Insofar as the first phase is concerned, only a small daily quota of 50 for private vehicles travelling from Hong Kong to Guangdong Province will be set, and the quota ceiling can be adjusted downward in the light of any special circumstances. Furthermore, full details are required in all the applications which will be carefully vetted and properly screened.

I believe most people are concerned about the second phase of the scheme. In fact, back in 2009, we explained to the Legislative Council that the second phase of the scheme, even its activation, must go through a legislative process. Hence, we will properly deal with all the complementary issues regarding Members' concerns, be they the road safety or network capacity issues just mentioned, before tabling proposals on legislative amendment to the Legislative Council. In this regard, I reiterate that there is no concrete timetable yet for the implementation of the second phase of the scheme, and the Guangdong and Hong Kong experts have to hold further discussions. There are no concrete details and implementation timetable for the time being.

DR PRISCILLA LEUNG (in Cantonese): *President, regarding the self-drive tour scheme, my greatest concerns are personal and road safety issues. I wonder if the Government has acquired any concrete data related to traffic accidents in launching the self-drive tour scheme. From my experience over the past five years, however, more than five persons I knew in my social circle, who were all legal professionals rather than professional drivers, had been killed in serious traffic accidents. This explains why even the first phase of the scheme deeply worries me. I wonder if the Administration has ever considered it might*

be doing harm despite its good intentions, as no mention is made of requiring Hong Kong people taking self-drive tours to Guangdong Province to receive rigorous training and sit for examinations regarding the local driving culture, applications for driving licences and road and traffic signs before they can be granted the quotas. Of course, it is good news to be granted the quotas, but the good news might be followed by bad one.

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

DR PRISCILLA LEUNG (in Cantonese): *Hence, I hope the Government can tell me, if the first phase of the scheme will definitely go ahead, whether the Administration will require Hong Kong drivers at the present stage to sit for stringent examinations before taking self-drive tours in the Mainland to ensure that they meet the eligibility requirements regarding the Mainland road safety system before they can be granted the quotas.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, regarding the existing arrangements for Hong Kong people driving on the Mainland, a mechanism has already been put in place by the Guangdong and Hong Kong authorities for the issuance of driving licences. The scheme is meant to explore the possibility of making flexible arrangements on the existing basis, that is, approving some one-off ad hoc quotas on top of the regular quota of 20 000 cross-boundary vehicles.

The Honourable Member has raised a good question. During the implementation of the trial, the Transport Department will draw up application guidelines to provide motorists with useful hints and information regarding the driving arrangements in Guangdong Province. We will also prepare some videos to introduce, for instance, things to note when crossing the boundary via the Shenzhen Bay Port and the overall clearance procedures. Most importantly, we have contacted some driving schools and automobile groups and encouraged them to organize more cross-boundary driving lessons for interested vehicle owners to enable them to gain an understanding of the difference between driving in the two places. I believe this is only an additional channel for Hong Kong people travelling to the Mainland. In planning their trips, people should decide

whether or not they should go by themselves or join self-drive tour groups, depending on their own abilities and their knowledge of Guangdong Province. While such services are already provided in the community, we will also step up efforts in contacting driving schools and automobile groups on the provision of additional training in this respect.

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

DR PRISCILLA LEUNG (in Cantonese): *Right, the Secretary has not answered my supplementary question. My question is whether the Government will impose the requirement, but the Secretary said just now that she would only give encouragement and provide guidelines, which will not work.*

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

DR PRISCILLA LEUNG (in Cantonese): *My supplementary question is: Will the Government, before granting the quotas, strictly require motorists submitting the applications to pass some sort of examinations and meet the stringent requirements before they can be granted the ad hoc quotas?*

PRESIDENT (in Cantonese): Secretary, the Member asked whether motorists are required to pass any examination.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I already tried to explain just now. Currently, holders of Hong Kong driving licences may apply, under the Road Traffic (Driving Licences) Regulations (Chapter 374B), to the countries or places listed in the Schedule to the Regulations (including the Mainland) for issuance of full driving licences. As the basis of issuance of Mainland driving licences, one must meet the specified eligibility criteria in order to apply for such licences. On this basis, we think that the best approach is to begin with publicity and education and

encouraging driving schools and automobile groups to organize more driving lessons to enable motorists in need to receive such training.

DR MARGARET NG (in Cantonese): *President, the Secretary has given members of the public various assurances, claiming that the Government is only talking about northbound self-drive tours and Hong Kong people need not worry. Hong Kong people will certainly not believe that it is just a one-way arrangement. Given that Hong Kong people can take northbound self-drive tours, can we possibly refuse when Mainland people request self-drive tours to Hong Kong in the future? After all, Hong Kong people are most concerned about vehicles coming from the Mainland.*

A key point of the Secretary's main reply is that, in case of non-compliance, the police will follow up and handle the case in accordance with the law. Nevertheless, Hong Kong people seem to have no faith at all in the Secretary's remark, and many netizens have expressed similar views on the Internet. Let me read out randomly one of the views expressed by a netizen. He asked, "Given that the existing 2 000 government-owned Mainland vehicles in Hong Kong are not properly managed, how could the Government talk about effects and operation?" He simply asked the SAR Government this question: How many cases involving non-compliant left-hand drive vehicles in Hong Kong have been prosecuted? How many cases have been successful and how many cases have resulted in sentencing? Can the Secretary answer him whether or not law-enforcement actions have ever been taken? Given that there are currently a large number of left-hand drive vehicles in Hong Kong with initials "FV" or "FU" on their licence plates, does the Government have the number of successful prosecutions taken against such vehicles? If there is no way for the Government to contact the vehicle owners after issuance of penalty tickets when Mainland vehicles driving in Hong Kong are issued summons, how can law-enforcement actions be taken?

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I can provide some information on this matter. But before that, I would like to reiterate that the concrete details and implementation timetable for the second phase of the scheme have not been planned yet. Hence, all the detailed information provided today involves only the first phase of the scheme. As regards when the second phase will commence, it depends on the actual effects of the first phase. Hence, Members can put their minds at ease.

Regarding the statistics requested by the Honourable Member, I have on hand some figures provided by the police. Over the past five years, the annual average ratio of Mainland cross-boundary vehicles (non-commercial vehicles) involved in traffic accidents in Hong Kong was 3.24 out of every 1 000 vehicles. During the corresponding period, the annual average ratio of local private vehicles involved in traffic accidents was 15.9 out of every 1 000 vehicles. Hence, the actual figures seem to be slightly different from Members' perception, for the rate of cross-boundary Mainland vehicles (non-commercial vehicles) involved in traffic accidents in Hong Kong was lower than that of local private vehicles. Members may refer to the aforesaid mentioned information.

DR MARGARET NG (in Cantonese): *The Secretary has not answered my supplementary question. My question concerns the numbers of prosecutions instituted against Mainland left-hand drive vehicles and successful prosecutions. Given that the rate of accidents over the past five years has been provided by the Secretary, can she provide the number of prosecutions instituted against such vehicles over the past five years? How many cases have been successfully prosecuted?*

PRESIDENT (in Cantonese): Which Secretary will answer this question? The Member asked about the prosecution figure.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): We do not have such breakdown figures for the time being. However, insofar as the rates of accidents provided are concerned, if non-compliance is involved in the accidents, enforcement actions will definitely be taken. Regarding Members' concern about whether the situation of "left-hand drive vehicles" and "left-hand

drive vehicles" running simultaneously on the roads will have any impact on Hong Kong's road and traffic safety, we can note from the actual rates of traffic accidents mentioned just now that the ratio of Mainland cross-boundary vehicles involved in accidents is nearly five times lower than

PRESIDENT (in Cantonese): The Member was asking about the prosecution figure. Secretary, if you do not have such information now, can you provide it to the Member later?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): I can enquire with the police about such breakdown figures. I only have on hand the accident rates.

DR MARGARET NG (in Cantonese): *The Secretary seemed to suggest that there are no such breakdown figures. So, can she clarify whether the number of the relevant prosecutions is further broken down by left-hand drive vehicles? Otherwise, Hong Kong people will become even more frightened should she tell us later that there are no such breakdown figures.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have to make further enquiries with the police. Since we keep the figures of accidents, and such accidents may involve non-compliance, these figures must be indicative. We can see from the current situation that Mainland drivers will not necessarily lead to a proliferation of accidents or incidents of non-compliance.

PRESIDENT (in Cantonese): Secretary, please provide the relevant figures.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): I will attempt to follow up this matter. (Appendix I)

MRS REGINA IP (in Cantonese): *President, may I ask the Secretary whether it is necessary to amend legislation after the implementation of the trial self-drive tour scheme? If it is necessary to do so, which piece of legislation is involved and when will the relevant proposals be submitted to the Legislative Council?*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the first phase of the scheme does not entail any legislative amendment as only local vehicles taking self-drive tours in Guangdong Province are involved. As Guangdong Province will be responsible for most of the regulatory work, we merely need to complement its regulatory efforts. On the contrary, even if the second phase, which has yet to be implemented, is to be launched as a trial, legislation will need to be amended, because a new category of vehicles must be provided for under the Road Traffic Ordinance for issuance of licence plates to vehicles entering Hong Kong from the Mainland for a short stay. For the time being, we have not provided for this category of vehicle licence. Furthermore, legislation has to be amended if fees are involved.

I believe the Member is concerned about whether or not many issues remain outstanding or the complementary measures are still not in place. Such a situation will definitely not arise because we will definitely address all concerns properly, or else we will not submit the legislative amendment proposals to the Legislative Council. Hence, I must reiterate that there is not yet any timetable for legislative amendment, because we still have to act in the light of the actual effects of the first phase of the scheme. Moreover, in introducing the second phase, we must properly address all concerns and complementary measures and continue to listen to public opinions before activating the relevant work.

MS AUDREY EU (in Cantonese): *President, I would like to follow up the last few lines of the first paragraph of the Secretary's main reply. In relation to the second phase of the trial scheme, the Secretary said, "..... there is no concrete timetable. The relevant arrangements require further discussions by the Guangdong and Hong Kong experts, and specific details and implementation date will depend on the outcome of the first phase." First of all, given that the second phase, which involves Mainland vehicles entering Hong Kong for self-drive tours, is so important, should the Government not hold public consultations rather than just leaving the matter to the Guangdong and Hong Kong experts for further discussions? Will the Government undertake to conduct such consultations before holding discussions on the introduction of the second phase?*

Furthermore, regarding her remark that the Government will act depending on the effects of the first phase, can the Secretary explain to Hong Kong people in concrete terms how the Government will do so? Does it mean that the result is deemed remarkable if many Hong Kong people drive northward and so, more Mainland vehicles can be allowed to enter Hong Kong? In particular, the conditions of the two places are completely different, with Hong Kong being much smaller than Guangdong Province in size. How can the Secretary determine how to implement the second phase on the basis of the effects of the first phase? Can she explain how such effects can be evaluated?

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I said that specific details and implementation timetable for the second phase are not yet available because regulation effected by the two sides in different areas is involved. I believe the Member's concern is, as pointed out in my reply to the supplementary question raised by Mrs Regina IP just now, the legislative process will definitely be involved in implementing the second phase in concrete terms, because complementary measures in the law regarding this are not yet available. Hence, in the process, we will definitely listen to Members' opinions in order to properly address their concerns, be they road safety or other complementary issues. We must properly address all these issues before we can

convince the Legislative Council to endorse any proposal on the second phase of the trial scheme. Hence, we say that specific details and the implementation timetable are not yet available precisely because we have basically not taken that step yet.

As regards the effects, the smoothness and popularity of the operation is the question in point because certain formalities are involved as well. Hence, the response of members of the public will also be considered. At the present stage, we are pleased to continue to listen to the views expressed by various sectors. Nevertheless, I wish to reiterate that we have not yet reached the second phase, and only the first phase will be implemented first. The details and implementation timetable of the second phase are not yet available.

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

MS AUDREY EU (in Cantonese): *President, she has failed entirely in answering my supplementary question. President, the first part of my supplementary question is*

PRESIDENT (in Cantonese): Is it about whether public consultations will be conducted?

MS AUDREY EU (in Cantonese): *..... why only the Guangdong and Hong Kong experts*

PRESIDENT (in Cantonese): Is your question about whether public consultations will be conducted?

MS AUDREY EU (in Cantonese): *..... whether public consultations will be conducted? For instance, we are now collecting signatures from members of the public, which is public consultation, too. How many signatures will have to*

be collected before the Government is willing to put this scheme on hold? The next issue concerns the effects. What I mean is the northbound car trips made by Hong Kong people and the car trips made by Mainland people to Hong Kong are two diametrically different issues. Given that Hong Kong is much smaller than the Mainland in terms of roads and size, how can the effects of the first phase be used to determine how the second phase of the trial should be implemented? My question is about how the effects can be evaluated, but the Secretary has failed entirely to explain the problems brought about by the differences between the two places.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we can look at this matter from two aspects, and the first one concerns the smoothness of the operation. Nevertheless, I believe the Member's concern is not merely the smoothness of the operation. I hope Members can refrain from concluding prematurely that the situation of definite reciprocal treatment, assuming that the quotas or Hong Kong vehicles going northward will, like a reflection, definitely be mirrored in Hong Kong.

For instance, the number of Hong Kong vehicles with Hong Kong/Mainland licence plates is now standing at 20 000, but the number of Mainland vehicles with such licence plates is a mere 2 000, thus demonstrating that the conditions of the two places are not necessarily reciprocal. During the course of formulating the relevant plan, our proposals will definitely give due regard to road safety and network capacity as the fundamental considerations while taking into account the impact on the environment.

Nevertheless, we have not yet reached that stage and discussed specific details. Having noted the views expressed by Members now, we will definitely, as pointed out by me earlier, effectively perform our gate-keeping roles in enacting legislation. Without addressing those issues properly, how can we convince the Legislative Council to endorse our proposals? At this stage, we will listen to views, and should we embark on formulating specific details and proposals, the problems in all other areas must be resolved.

MS AUDREY EU (in Cantonese): *Regarding public consultations, how many signatures do we have to collect before the Secretary is willing*

PRESIDENT (in Cantonese): Secretary, will public consultations be held?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in implementing the second phase of the scheme, we will definitely be pleased to continue to listen to Members' views. We are already clear about the numerous public opinions now. When the second phase is implemented, we will perform highly effective gate-keeping, that is, legislation must be passed before the scheme is implemented.

PRESIDENT (in Cantonese): We have spent nearly 25 minutes on this question. Third question.

Implementation of Trial Scheme on One-off Ad Hoc Quotas for Cross-boundary Private Cars

3. **MR ALBERT HO** (in Cantonese): *President, the Governments of Guangdong and Hong Kong will launch the first phase of the ad hoc quota trial scheme for cross-boundary private cars in March 2012, under which qualified owners of Hong Kong non-commercial private cars with five seats or less are allowed to apply for such quotas to enter Guangdong for a short stay not longer than seven days. Arrangements for Guangdong private cars to enter Hong Kong fall under the second phase Sorry, sorry, President. I may have read it wrongly.*

It has been reported that the trial scheme on one-off ad hoc quotas for Guangdong/Hong Kong cross-boundary private cars (self-drive tour scheme) will be launched in Guangdong and Hong Kong in March this year, and in the first phase of the scheme, Hong Kong people will be permitted to take northbound self-drive tours to the Mainland in their private cars, while in the second phase Mainlanders will be permitted to apply for self-drive tours in Hong Kong. The drivers in both places are not required to sit for examinations or attend driving lessons before self-drive tours. I have learnt that under mutual recognition of driving licences between the two places, drivers in both places holding driving licences issued by their respective transport departments can drive to and from the two places. Some members of the public are concerned that the driving

habits and culture of Mainland drivers will have impact on the order of traffic and road safety in Hong Kong. In this connection, will the Government inform this Council:

- (a) given the aforesaid public concerns, whether the Government has, in taking forward the self-drive tour scheme, assessed the public view in the two places and the impact of the self-drive tour scheme on various aspects (including the environment, traffic and passenger flow, and so on) of societies of the two places; if it has, of the details; if not, the reasons for that;*
- (b) whether the authorities have discussed with the Mainland government departments to take relevant measures and actions, with a view to ensuring that drivers travelling between the two places will comply with the relevant legislation (for example, the legislation on transport and pollutant discharge, and so on) of the two places; if they have, of the discussion details, as well as the details of the measures and actions to be taken and the timetable; in addition, whether the authorities and the relevant departments on the Mainland have discussed the law-enforcement and prosecution procedures in the event that a Mainland or a Hong Kong driver under the self-drive tour scheme contravenes the traffic legislation in Hong Kong or on the Mainland; if they have, of the details; if not, the reasons for that; and*
- (c) given that the driving habits, culture and legislation in both places are not entirely the same, in order to safeguard the safety of various road users, whether it knows if the governments of both places will take the initiative to arrange driving lessons for those who take part in self-drive tours; whether the authorities will make it mandatory that drivers in both places have to pass the examinations conducted by the relevant government departments of both places or attend the driving lessons offered in both places before they are permitted to drive between the two places; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Governments of Guangdong and Hong Kong will launch the first phase of the ad hoc quota trial scheme for cross-boundary private cars (the self-drive tour scheme) in March 2012, under which qualified owners of Hong Kong non-commercial private cars with five seats or less are allowed to apply for such quotas to enter Guangdong for a short stay not longer than seven days. Arrangements for Guangdong private cars to enter Hong Kong fall under the second phase of the scheme, of which there is no concrete timetable.

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

- (a) We have considered the possible impacts on Hong Kong arising from the scheme and understand the public's concerns about the scheme. We will definitely take forward the scheme in a highly regulated and gradual manner, starting with a small number of quotas as trial, and consider factors such as road safety, capacity of road networks, as well as environmental protection.

Back in December 2008, we explained to the Legislative Council the scheme in response to a question raised by a Member. At the meeting of the Legislative Council Panel on Transport on 23 January 2009, we explained to Members the current control regime for cross-boundary vehicles and the future direction for relaxing the private car quota system, and reported the progress regarding our discussions with the relevant Guangdong authorities on the scheme. We told Members that the existing private car quota system would be relaxed under a highly regulated environment, allowing some private cars to travel between the two places with ad hoc quotas via the Shenzhen Bay Port (SBP). We stated at that time that we had reached preliminary agreement with the relevant Guangdong authorities to pursue the proposed scheme in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first, to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the first phase. Members generally welcomed the proposal to issue ad hoc quotas and the general response of the public was also positive. Legislative Council Members have subsequently followed up on the progress of the scheme by raising a number of questions.

In April 2010, the Administration announced that the scheme had been included in the Framework Agreement on Hong Kong/Guangdong Co-operation. The Chief Executive also announced at the 14th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference (HKGDCJC) in August 2011 that the first phase of the scheme would be implemented in March 2012. Afterwards, the Chief Secretary for Administration reiterated the implementation timetable of the first phase of the scheme at the 17th Working Meeting of the HKGDCJC in January 2012.

Both Guangdong and Hong Kong impose requirements and standards on driving skills of drivers. However, it is exactly because we understand the difference in driving culture between the two places, and the public's concerns about impact on capacity of road networks and road safety, that the first phase of the scheme will be a trial, and not a permanent policy. In formulating the arrangements of the scheme, we adhere to some principles, including (a) exercising due care and launching a trial first to ascertain the effects; (b) introducing the scheme under a highly regulated environment, with road safety and network capacity as the fundamental considerations and taking into account the impact on the environment; (c) starting with a small number of quotas, which can be adjusted flexibly having regard to special circumstances, and (d) requiring full details in all applications which will be carefully vetted and properly screened.

When approving quota applications, the Governments of Guangdong and Hong Kong will take into account applicants' traffic contravention records so that only drivers with good driving records are allowed under the scheme to travel between the two places for a short stay of several days. We will remind drivers of the things to take heed of when driving on the other side through education and publicity, so as to raise the safety awareness of the drivers.

We will further study and discuss the specific arrangements for the second phase of the scheme when there is experience in smooth operation after implementing the first phase for a period of time.

- (b) All motorists driving on the Mainland, including Hong Kong vehicle owners using ad hoc quotas, must observe relevant Mainland laws and regulations. The local public security authorities will handle non-compliant cases according to the established procedures.

Although the specific arrangements and implementation details for the second phase of the scheme have to be further discussed by Guangdong and Hong Kong experts, I have to emphasize that all drivers and cars must comply with local traffic ordinances and regulations while driving in Hong Kong. They should have also taken out valid Hong Kong motor vehicle third party risks insurance. Any violation of the relevant ordinance or regulations in Hong Kong will be prosecuted and handled in accordance with the law. Same with the existing arrangements for Mainland drivers who have violated traffic regulations, the police will issue fixed penalty tickets or summons to offenders. In the case of serious offences, the police will make arrests. The police may, where necessary, seek the assistance of the Mainland public security authorities in the investigation under the existing mechanism. In addition, before completion of the legal proceedings relating to the traffic incidents or contraventions, new quota applications from the owners or drivers concerned will not be accepted.

The Governments of Guangdong and Hong Kong possess detailed information of the applicants, drivers and vehicles using ad hoc quotas. In case of non-compliance with the laws and regulations, the two Governments will follow up on the case in accordance with the law. Furthermore, holders of ad hoc quotas are only allowed to make one round trip to and from Guangdong Province during the specified period and through the SBP. We will also require the vehicles under the scheme to use designated clearance kiosks. These requirements will facilitate follow-up and investigation of suspected cases by the law-enforcement departments.

- (c) The arrangement between Guangdong and Hong Kong to directly issue driving licences for small vehicle and motorcycle without test was implemented since 2004 and has all along been working satisfactorily. The arrangement has brought a lot of convenience to

motorists in Guangdong and Hong Kong. In fact, the arrangement to issue full driving licence by direct issue without test is also applicable to overseas driving licences issued by 31 other countries or places recognized by the Transport Department. The relevant countries and places have their own criteria and mechanism for issuing driving licences. The existing arrangement of direct issue without test has been operating smoothly. We will remind drivers of the two places of the things to take heed of when driving on the other side through education and publicity, so as to avoid accidents. We will also appeal to the drivers to familiarize themselves with the local traffic ordinances and regulations as well as driving knowledge prior to commencing their trips in order to ensure driving safety.

Members of the public may, according to their actual needs, enrol on training courses about knowledge of driving on the Mainland. We understand that some driving schools and motoring organizations in Hong Kong have offered such courses. Motorists who are interested in using the scheme to drive their own cars to Guangdong Province can enrol on the training courses about knowledge of driving on the Mainland if they are not familiar with the driving environment on the Mainland. We have encouraged these organizations to offer more courses on driving in Hong Kong and the Mainland for interested vehicle owners to learn and know more about the differences between driving in the two places.

MR ALBERT HO (in Cantonese): *President, since there is a great difference between the traffic conditions and driving cultures of Hong Kong and the Mainland, and there is a difference between right-hand drive and left-hand drive arrangement of cars alone, therefore, many members of the public are worried that if more cars are allowed to come to Hong Kong, even in the next phase, there may be cases of dangerous driving and the self-drive tour scheme will become a cause for dangerous driving. Therefore, many members of the public have asked me to give you this placard with the "stop" sign and urge you to call a halt to the scheme and do not even implement the first phase.*

Why should we call a halt to this? President, this is because an assessment will have to be made to find out if the first phase is successful. But

assessments conducted in the two places cannot really be compared. Rightly as Ms Audrey EU has said, conditions in the two places are different and since the Mainland is such a vast place, when we are talking about just 50 or 500 cars, the numbers are so small that they do not mean anything. What the public fears most now is if the result of the assessments is that the scheme is all right, then the pressure will be on the side of Hong Kong. It is because the other side has allowed self-drive tours for cars from Hong Kong and so there is a reciprocal responsibility for Hong Kong and we will feel the pressure of accepting the second phase of the trial scheme.

President, I have this supplementary question. For those 2 000 left-hand drive cars with licences issued by both Hong Kong and the Mainland authorities, should consideration be given to the performance of these motorists while driving in Hong Kong before all else? Dr Margaret NG asked the authorities to furnish information on that aspect when she raised a question earlier. It is because she wants to see the problems that have arisen and whether there are many cases of violation of traffic regulations, and so on. Should the Government not get hold of such information, study it carefully, then conduct a consultation exercise before going ahead with the first phase of the scheme? So should the Secretary not stop and apply the brake on the matter instead of letting this self-drive tour scheme lead to dangerous driving?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President, as I have said clearly in the previous question, this is a trial scheme and during the first phase, it is the cars from Hong Kong that are allowed to go to the Mainland. As for the idea of "obliged reciprocity" which the Member has mentioned, I do not think we should make this kind of assumption. This is because in terms of the load on the roads of Guangdong Province and in other aspects, their situation is different from ours in Hong Kong. If we are to activate the second phase of the scheme, we must address well the questions raised by Members. I have just explained that even if we start the second phase of the trial, we have to undergo some legislative procedures and in the process we will listen to views and consider carefully the issues raised earlier. Of course, if Members think that we have not addressed these issues, they will not endorse the enactment of legislation and in this way, I think the gate-keeping role played by the Legislative Council is very effective.

What I want to say is that all along there has been co-operation between Guangdong Province and Hong Kong and both sides know very well what is going on on the other side. So I do not think this sort of "obliged reciprocity" will happen as Members may think. For if not, there will not be a situation as it is now when there are 20 000 vehicles travelling from Hong Kong to the Mainland but only 2 000 vehicles from the Mainland. For so many years, both sides have been engaging in all sorts of co-operation based on mutual understanding. Members can therefore rest assured because the gate-keeping work regarding the second phase rests with the Legislative Council and we will not rashly conclude that everything obtained from the first phase can be used in the second phase. There may indeed be things that we can learn from the first phase, but these should not be considered as things that are totally similar. Therefore, we will assess the situation carefully and consider the effectiveness of every detail and in the end address all the questions raised by Members before seeking an approval from the Legislative Council.

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

MR ALBERT HO (in Cantonese): *part of my supplementary question is about asking the Secretary why she does not check the driving records of those 2 000 left-hand drive cars from the Mainland before going ahead with the first phase.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I think the Member can refer to the statistics cited by me earlier. Over the past five years, these 2 000 cross-boundary non-commercial vehicles from the Mainland have been involved in far fewer traffic accidents in Hong Kong than local vehicles. These Mainland vehicles have an annual traffic accident rate of 3.24 vehicles per 1 000 vehicles while local private cars have an annual traffic accident rate of 15.9 vehicles per 1 000 vehicles. In fact, these cross-boundary non-commercial vehicles from the Mainland are involved in far fewer traffic accidents in Hong Kong than local private cars. Therefore, as evident in facts and past records, we do not think these vehicles are more prone to having traffic

accidents in Hong Kong. The fact is contrary to what we may expect because the traffic accident rate of these cars is even lower than that of Hong Kong cars.

MR WONG SING-CHI (in Cantonese): *President, with respect to the self-drive tour scheme, many citizens of Hong Kong think that irrespective of the number of cars allowed to go to the Mainland, it is only a minority of Hong Kong people who may benefit; but even if a small number of Mainland cars are allowed to come to Hong Kong, this may put all the people of Hong Kong at great risks. So the Secretary should listen to the voice of the people. Moreover, does the Secretary think that she will definitely continue to work as the Secretary in the next term of the Government? This is because she has made an easy decision during this term of the Government to allow Hong Kong cars to go to the Mainland and let the Mainland play a gate-keeping role*

PRESIDENT (in Cantonese): Mr WONG, please do not express your opinions.

MR WONG SING-CHI (in Cantonese): *..... all right, I will raise my question. With respect to vehicles coming from the Mainland to Hong Kong in future, the Secretary said that there is no plan in place. President, may I ask the Secretary what the criteria will oblige the shelving of this self-drive tour scheme? I have read the papers provided by her and it is stated therein that some gate-keeping work will be done in law. But she has not considered shelving the scheme, no matter how bad the situation may be. She has said that after the first phase has been implemented for some time and if things have gone smoothly, the scheme will proceed. But she has not said that if things do not go smoothly and if there is opposition from the public and if there are many calls asking her not to do it, then she will cease doing it. May I ask the Secretary whether she would take all this into consideration, that is, when many people oppose it and when many problems appear, then she will shelve this self-drive tour scheme immediately?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have explained with great care and patience that we will be very careful with this scheme. I have also explained the principles behind it earlier and we will work very carefully. So even in this first phase of the scheme, we

will just allow a very small number of cars to travel from Hong Kong to the Mainland. And if we ultimately activate the second phase of the scheme, we will address problems like road safety, traffic load and the environment. We will do a proper job of such gate-keeping work and I believe the Legislative Council will also do the same. I think we should adopt a gradual and orderly approach, that is, allowing cars from Hong Kong to go to the Mainland first. However, we do not have a timetable and the exact details now. Certainly, Members may have some concerns and we have heard the views expressed in this regard and we will consider carefully whether all aspects have been taken care of. We will introduce the relevant legislative proposal only when we are sure that the proposal will be supported by the Legislative Council. I have also tried to explain to Members again and again that even if the second phase of the trial scheme is activated, it will only proceed after the enactment of law. So I can say that the gate-keeping work in this regard is very effective.

MR WONG SING-CHI (in Cantonese): *President, the Secretary has not answered my supplementary question. I asked her if many people should voice opposition and when there is much discontent with the scheme, will the Government shelve this self-drive tour scheme immediately?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, I think I have heard it. If the concern expressed by the public is about the arrangements in the second phase, we will continue to listen to such voices.*

MR KAM NAI-WAI (in Cantonese): *President, the Secretary has been making all sorts of assurances, and she has pointed out two things. First, the present arrangement is only for Hong Kong cars to go to the Mainland. Second, this is not a reciprocal arrangement such that when there are 2 000 cars travelling from Hong Kong to the Mainland, there will likewise be 2 000 cars travelling from the Mainland to Hong Kong. And this sort of reciprocal arrangement is never intended. I would like to point out to the Secretary that, as there are cultural differences between the two places, it takes only one accident in Hong Kong to cause an uproar in the whole territory. I think we all know what has happened recently in the D&G case.*

The Secretary said in the main reply that this so-called trial scheme was included in the Framework Agreement on Hong Kong/Guangdong Co-operation in April 2010. May I ask her whether this Framework Agreement has stated clearly that the first phase of the self-drive tour scheme, that is, about Hong Kong cars going to the Mainland, will proceed; and the second phase of the scheme, that is, about Mainland cars coming to Hong Kong, will also be implemented as a matter of course. And it is only a matter of timing. May I ask if the Framework Agreement has stated that this trial scheme is divided into two phases and these two phases will definitely be implemented? This is a vital point and the Secretary should not hoax us and say that Hong Kong cars can go to the Mainland first

PRESIDENT (in Cantonese): Mr KAM, you have raised your supplementary question, please let the Secretary reply?

MR KAM NAI-WAI (in Cantonese): *actually, the second phase will definitely proceed and that is exactly the worst worry of the people worry.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, we are launching this scheme in a prudent manner and with a gradual and orderly approach. I am sure Members will know. In fact, at a meeting of the Panel on Transport held earlier, we said that we would adopt this approach. I have now in my hands a copy of this 2012 Work Plan under the Framework Agreement. And it is written to this effect: Expedite the preparations for the implementation of the ad hoc quotas for Guangdong/Hong Kong cross-boundary private cars, commence with the trials at the Shenzhen Bay Port in March 2012, and gradually explore and perfect the relevant arrangements. We have only mentioned the first phase and the commencement, not the second phase. The second phase is the next step. We have to hold discussions on that and we will not proceed to the second phase so quickly.

I have also explained that there is a whole range of work related to the second phase, including legislation and this must be done well before we can start. At present, the first phase has not yet commenced. And we need to sum up the experience thus gathered. This is because all along we have issued

regular licences and we have never issued any temporary licences. We have to look into issues like the actual operation, whether or not the process is smooth and the acceptance of the public, and so on. So both the Guangdong side and our side will follow the approach of gradual and orderly progress. And insofar as the present stage is concerned, we are just talking about the commencement arrangements for March 2012.

DR PRISCILLA LEUNG (in Cantonese): *President, I wish to point out to the Secretary that things done slowly will be perfect. The authorities may want to do well in a certain matter, but one life lost is too many. Irrespective of whether it is the first or the second phase, this practice of direct issue without test is a very dangerous and rash practice, it is because*

PRESIDENT (in Cantonese): Dr LEUNG, please raise your supplementary question instead of expressing your views.

DR PRISCILLA LEUNG (in Cantonese): *..... My supplementary question is: After listening to views from Members and the public, will the Government really start the first phase after assessing the applicants in a very stringent manner? If there is no time for the authorities to propose any assessment criteria, will the commencement of the first phase be postponed to a later date or even shelved?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I have explained, this practice of issuing driving licences directly without requiring the applicants to take another driving test is not meant for the ad hoc quotas. It began in 2004 and it was meant to provide more convenience to drivers from Hong Kong. The arrangement is not only applied to Hong Kong and the Mainland. Similar arrangements have been made with 31 other approved countries. As there are different standards concerning driving tests for the purpose of issuing driving licences, we have considered very carefully whether some other tests or training should be required on top of the present requirements. But speaking of the present situation, as it is a trial scheme, we consider that it should be more desirable to adopt the present legal framework. However, we understand perfectly that there is a need to engage in educational and publicity efforts on driving habits and differences in traffic regulations in the

two places, and so on. We also hope to work with some organizations through many other channels such that some driving courses or training can be offered by these organizations to assist the drivers concerned. We should give due respect to the existing system and as a matter of fact these drivers may have already been permitted to drive on the Mainland. Our work is to perfect the relevant arrangements on the basis of the existing system, and this aim should be achieved by offering some training and through educational and publicity efforts which are sound enough.

MS MIRIAM LAU (in Cantonese): *President, the public has strong views against the self-drive tour scheme, especially with respect to Mainland vehicles coming to Hong Kong. It can even be said that there is public outrage. The concerns expressed by the public include congestion on the roads, road safety, environmental protection, and so on. All these issues should not be overlooked by the Government. The Government should conduct a serious consultation on the entire scheme and also the planning of matching actions in all aspects. The Secretary has said that experts from Guangdong and Hong Kong will discuss the actual arrangements for the second phase, but I think this is not enough. May I ask the Secretary whether the authorities will conduct public consultations as I have just suggested in order to find out the worries and views of the public? This is important because the public can then be assured that their worries can be dispelled and that the Government can address the concerns expressed before considering the implementation of the second phase of the scheme.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): I believe Ms LAU has pointed out in a very accurate manner the kind of work we must do before the commencement of the second phase. I have just said that in order to play the gate-keeping role effectively, before the second phase is launched for trial — and we are only talking about a trial, not making it a permanent policy — there must be legislation before all else. This is because there are no regulations for any temporary licence or basis for charges. So if the scheme is to clear the legislative hurdle, then as Members have said, there is a need to respond to and address the concerns expressed by the public. We must be able to respond to these concerns effectively before this hurdle can be cleared. So we will carry out such work very carefully and in the process, we will be happy to listen to views from all quarters.

MS MIRIAM LAU (in Cantonese): *The Secretary has not responded to my question of whether comprehensive consultations would be carried out, that is, consulting the public with respect to the entire scheme and planning for the matching work.*

PRESIDENT (in Cantonese): Ms LAU, on the question of whether there should be any consultation, Ms Audrey EU has already asked it earlier and the Secretary has given her reply more than once. We have spent nearly 25 minutes on this question. Fourth question.

Monitoring of Aircraft Incidents

4. **MR LAU WONG-FAT** (in Cantonese): *President, the aircraft of Cathay Pacific Airways (CX) has been involved in various incidents (including engine failure, cracking of the cockpit windshield and smoke in the cabin, and so on) one after another recently. In this connection, will the Government inform this Council:*

- (a) *of the details of the incidents involving CX aircraft in the past two years;*
- (b) *whether it has looked into the reasons why recently the number of incidents involving CX aircraft has increased rapidly; and*
- (c) *of the measures taken by the regulatory authorities in respect of the recent increase in aircraft incidents?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, our reply to Mr LAU Wong-fat's question is as follows:

- (a) and (b)

The International Civil Aviation Organization (ICAO) has promulgated very stringent standards on aviation safety. All the

relevant legislation of Hong Kong, including those on mandatory occurrence reporting, is in line with the requirements of the ICAO.

In accordance with the ICAO requirements, the Administration has set out the details of the mandatory occurrence reporting mechanism in the Air Navigation (Hong Kong) Order 1995 (Cap. 448, sub. leg. C), which requires that all holders of Air Operator's Certificate shall make a report on any reportable occurrence to the Civil Aviation Department (CAD) within 96 hours of the occurrence. Under the mandatory occurrence reporting mechanism, reportable occurrences include damage to aircraft, injury of person (including flight and cabin crews), multiple systems or equipment malfunction, false fire alarm, and communication system malfunction, and so on.

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

The objectives of the mandatory occurrence reporting mechanism and the requirement for the local airlines to report the details of occurrences are to equip the CAD with the detailed information of the occurrences, so as to facilitate analysis and to formulate necessary follow-up and improvement measures, and to prevent recurrence.

Regarding aircraft accidents and serious incidents, the CAD will conduct detailed investigation in accordance with the requirements in local legislation and the Convention on International Civil Aviation. The CAD will also publish the details of the occurrences to the public.

In 2010 and 2011, the Cathay Pacific Airways reported a total of 454 and 341 cases of mandatory occurrences to the CAD, amongst which 156 and 98 reports were related to mechanical problems on airframe or avionics systems. The rest of the cases were related to flight operations, including in-flight turbulences leading to bodily injury (including flight and cabin crews), bird strikes, false alarms, unruly passengers, and incidents relating to cargo handling.

The CAD has examined all reported cases and concluded that none of them has any direct or immediate effect on flight safety. According to the results from the CAD's examination, amongst the cases relating to mechanical problems mentioned above, 126 cases (or 80%) in 2010 and 89 cases (or 90%) in 2011 were classified as presenting low or no risk to aviation safety. However, these might cause flight service disruption such as flight delay. In this connection, the airlines concerned had made effective measures and arrangements as necessary. The rest of the cases did not constitute immediate safety issues and the airlines concerned had already conducted detailed examination on the aircraft according to the CAD's requirements within the prescribed time frame, so as to ensure aviation safety.

Compared with 2010, the number of mandatory occurrence cases reported by the Cathay Pacific Airways (CX) in 2011 has reduced by 113 cases (or 25%). From the statistics, there is no indication that there is any rapid increase in the number of aircraft occurrence.

- (c) In 2010 and 2011, the CAD received a total of 642 and 519 cases of mandatory occurrence reports respectively. About 35% (411 cases) were related to mechanical problems while about 65% (750 cases) involved flight operations issues.

Upon receipt of the reports, the CAD would collect detailed information relating to the incident in accordance with the CAD's established procedures, and whenever necessary, approach the relevant airlines and maintenance organizations for further details. The CAD would also conduct assessment according to the ICAO's safety management system, to determine the course of follow-up actions required, and consider if the incident is an individual case or there is any adverse trend which may warrant more comprehensive analysis.

The CAD will also make recommendations on the improvement measures to be implemented by the airlines. Under normal circumstances, airlines are required to report the details of the occurrence within six months, and to provide details of the

occurrence and follow-up actions taken by the airlines and related persons such as the maintenance organizations and improvement measures suggested by the airlines. The CAD will follow up the cases proactively and closely liaise with the airlines to ensure all the improvement measures are implemented effectively.

To prevent recurrence, the CAD would perform an overall analysis on all the reported occurrences regularly. Whenever necessary, recommendations on improvement measures would be made to the airlines and the maintenance organizations to ensure aircraft and passenger safety.

The CAD would perform aircraft inspections according to established procedures, such as document examination in regard to design approvals, component installation and system testing; and to conduct on-site surveys of aircraft modifications and maintenance procedures. This is to ensure that aircraft and the associated components comply with the required airworthiness standards. The CAD would also conduct random inspections and checks on the fleets of local airlines, to ensure that the stringent international standards on airworthiness are met. In fact, aircraft structure and components have to undergo regular maintenance, inspection and testing in accordance with the aircraft maintenance schedule approved by the CAD before the Certificate of Airworthiness with one-year validity is granted. In conclusion, an aircraft, irrespective of its age, must be maintained in accordance with the required schedule to ensure compliance with the required maintenance and safety standards.

The CAD has performed a review and analysis on the reported cases of the CX. The result of the analysis does not indicate any safety issues of the aircraft of the airline.

MR LAU WONG-FAT (in Cantonese): *Deputy President, as an airline of Hong Kong, the CX has long been known for its quality service but the recent incidents that have occurred successively and frequently have caused great panic and delay to thousands of passengers. In fact, after I had submitted this question to*

the Legislative Council on 27 January, at least six occurrences were reported in just two weeks' time, causing flight delays or cancellations. This shows that the problem is very serious and that the incidents are not individual cases.

Can the Government inform this Council why the aviation monitoring authorities have not openly and seriously instruct the airline to thoroughly conduct investigations into the causes of this spate of incidents to ascertain whether management or maintenance problems were involved and require the airline to submit a report to allay public concern about the safety of CX aircraft, thereby upholding the international reputation of Hong Kong?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, Mr LAU mentioned that there have been more incidents of a more serious nature involving the CX recently. But our statistics show that during the period from 2009 to 2011, the CX reported 357, 454 and 341 cases of mandatory occurrences respectively to the CAD in accordance with the standards of the ICAO. From this, we do not see a rising trend of occurrences.

Among these occurrences, about 30% were related to mechanical failures, whereas the rest of the cases were related to flight operations, such as in-flight turbulences, passengers not complying with the instructions of cabin crews, bird strikes, cargo handling problems, and so on. Generally speaking, we have observed the standards of the ICAO in carrying out inspections of components or aircraft maintenance.

Concerning the mandatory reporting mechanism whereby airlines are required to report occurrences to the CAD, as I already explained in the main reply, follow-up actions and investigation must be carried out for each occurrence. The relevant recommendations and improvement measures, if any, must also be implemented. In general, we consider that this mechanism has been operating effectively.

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

MR LAU WONG-FAT (in Cantonese): *Deputy President, the most important point that I asked in my supplementary question was whether the authorities have given any instruction to the CX.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Yes, I do, Deputy President. We have given instructions to the CX on all the reportable occurrences. If the CAD is responsible for investigating an occurrence and when the CAD has identified a need to make improvements, the CAD will not only require the airline to make improvements but also monitor the airline to ensure that the improvement measures are effectively implemented.

MR WONG TING-KWONG (in Cantonese): *Have the authorities discussed with the management of the Cathay Pacific Airways the occurrences involving the CX in recent years? Besides, in respect of the maintenance of CX aircraft, does the Government think that there is still room for improvement? Is there a need for the authorities to further monitor the CX's mechanical maintenance standards*
.....

DEPUTY PRESIDENT (in Cantonese): Mr WONG, you have asked two supplementary questions. Please choose to ask either one of them. Secretary, please answer the first supplementary question about whether discussion has been held with the management.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Yes, we have discussed this with them, Deputy President. The CAD has in place a mechanism for regular communication with the CX management and their maintenance experts. There is also a mechanism for inspections and random checks. These mechanisms are not invented by Hong Kong. They have been operated in accordance with the ICAO standards. Therefore, whether in respect of operation, announcement of occurrences, or maintenance issues over which the

Member has expressed concern just now, we are required to meet all the requirements of the ICAO.

MR WONG KWOK-HING (in Cantonese): *Deputy President, the recent spate of incidents involving the CX has caused great public concern and made passengers feel very worried. I noticed that the Secretary's reply is entirely just a general response for the years 2009, 2010 and 2011, telling us that everything is safe and sound. Can this be a response to the question raised by Mr LAU Wong-fat? I think she has not given a reply at all.*

Therefore, I have this question for the Secretary. In respect of the recent occurrences — I do not mean the incidents that have occurred in the past few years or a comparison of incidents that have occurred in the past few years — has the Government asked the CX to clearly explain the causes of these occurrences and what improvements can be made to allay or dispel public worries about safety when travelling on CX aircraft?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, disregarding whether an occurrence happened a long time ago or just recently, as long as it is a reportable occurrence, the airline is required to report it to the CAD as I said in the main reply. Upon receipt of the report, the CAD will review the causes of the occurrence. If there is a need to make improvement in respect of operation or repairs and maintenance, the CAD will instruct the airline to take improvement measures and exercise monitoring under the existing mechanism to ensure that the measures are implemented effectively.

With regard to the recent occurrences, the CAD has adopted the same standards and required the CX to investigate and report on the occurrences in detail. Besides, the CAD will review the occurrences one by one, but instead of just reviewing the occurrences individually, the CAD will also conduct analyses to examine whether the occurrences have pointed to a certain trend and whether there is any systematic crisis. Overall speaking, what we have done is fully in compliance with the most stringent standards required by the ICAO.

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

MR WONG KWOK-HING (in Cantonese): *Deputy President, the Secretary did not tell us in her reply what occurrences have happened recently and whether there is room for improvement. I was not asking about the general procedures and practices. The Secretary's reply just now was only about the general procedures and general practices.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, if Mr WONG Kwok-hing is particularly concerned about a certain occurrence, I can provide him with more information later on. But I wish to point out that under the mechanism, disregarding whether an occurrence happened recently or in the past, we will certainly deal with it according to the most stringent standards. I hope Members will understand that as I already analysed in my main reply earlier on, apart from mechanical problems, the occurrences also involved many problems that are not possibly within the control of the airline, such as bird strikes, cargo handling problems, and so on. We are very concerned about and attach great importance to each occurrence, and we will thoroughly investigate and stringently follow up each occurrence.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to ask a supplementary question?

(No Member indicated a wish to ask a question)

DEPUTY PRESIDENT (in Cantonese): If not, we will move onto the fifth question.

Public Transport Fare Concessions

5. **MR WONG KWOK-HING** (in Cantonese): *Deputy President, the tram, which is one of the mass transit carriers with the longest history in Hong Kong, has been providing service for people on Hong Kong Island for over 100 years and is frequently patronized by the elderly and persons with disabilities. According to the statistical information from Hong Kong Tramways, Limited (HKT), the tram has a daily passenger volume of about 230 000 passenger trips, and it has been learnt that among this daily passenger volume, 15% are elderly people aged 65 and above, which amount to almost 35 000 passenger trips per day and about 12.7 million passenger trips per year in aggregation. However, in the public transport fare concessions scheme (the Scheme) to be launched by the Government for the elderly and eligible persons with disabilities in the middle of this year, the tram, which is frequently patronized by the elderly, is not included. In his reply to a Member's question in the Question and Answer Session of this Council on 13 October last year, the Chief Executive said that discussions with the HKT would be required before considering whether free tram rides would be offered to the elderly. In this connection, will the Government inform this Council:*

- (a) *given that the HKT offers a concessionary fare of \$1 per trip for the elderly at present, whether the Government has actively considered including the tram in the Scheme by reimbursing the HKT the \$1 concessionary fare according to the number of passenger trips actually taken by the elderly and persons with disabilities, and introducing this fare concession in tandem with the fare concessions of the MTR and franchised buses, and so on; if it has not, of the reasons for that;*
- (b) *whether the Government has discussed with the HKT to include the tram in the Scheme; if it has, of the result and the timetable; and*
- (c) *since the Chief Executive announced the launch of the Scheme in the 2011-2012 Policy Address, whether other public transport operators (operators), apart from those of MTR, franchised buses and ferries, have indicated interest to the Government in participating in the Scheme; if so, which operators have indicated such interest and how the Government responded to them; if not, whether the authorities*

will consider actively inviting various operators to participate in the Scheme, so that the Scheme may cover more modes of transport when it is launched this year, thereby facilitating the elderly and persons with disabilities in commuting?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, my reply to Mr WONG Kwok-hing's question is as follows:

(a) and (b)

In his Policy Address last year, the Chief Executive proposed a public transport concessions scheme for the elderly and persons with disabilities (the Scheme) to enable all elderly people aged 65 or above and eligible persons with disabilities to travel on the general Mass Transit Railway (MTR) lines, franchised buses and ferries anytime at a concessionary fare of \$2 a trip. The Scheme aims to encourage the elderly and eligible persons with disabilities to participate in more community activities, thereby enriching social capital and developing a spirit of care and inclusiveness.

The basic principle of the Scheme is that on the premise of maintaining existing fare concessions by the public transport operators concerned, the Government will provide additional resources for offering a concessionary fare of \$2 per trip. At present, the elderly concessionary fare of tram is \$1, which is lower than the \$2 fare proposed by the Government under the Scheme. Therefore, the Administration plans to launch the Scheme initially on the three major modes of public transport, *viz.* the MTR, franchised buses and ferries (which account for about 70% of our average daily public transport patronage). After the full implementation of the Scheme for a period of time, we will review the feasibility of extending its scope.

The Administration has explained to the Hong Kong Tramways Limited (HKT) the policy objective and basic principle of the Scheme.

- (c) Apart from the HKT, some public light bus groups have requested that public light buses be covered under the Scheme. As pointed out in my reply to a Legislative Council's written question on 14 December 2011, there are currently many public light bus (PLB) operators and they are generally of a small scale and with different modes of operation and financial positions. Moreover, not all PLB operators provide concessionary fare to the elderly and persons with disabilities. To enable the elderly and eligible persons with disabilities to enjoy the concessionary fare as soon as possible, our priority is to launch the Scheme first on the three major modes of public transport, viz. the MTR, franchised buses and ferries. Following the full implementation of the Scheme for a period of time, we will review the feasibility of extending its scope.

We have explained to the PLB groups concerned the policy objective and basic principle of the Scheme.

MR WONG KWOK-HING (in Cantonese): *Deputy President, the MTR is a kind of rail transport, so is the tram. While the MTR Corporation Limited has provided half-fare concessions, the HKT has also offered half-fare concessions to the elderly. Why is the Government biased towards one party, resulting in the exclusion of the tram from the Scheme? Why are different policies adopted for them although they are both rail transport? Why is the tram not included in the Scheme so as to similarly offer concessionary fare to the elderly? In fact, if the implementation of the Scheme on the tram is approved, the subsidy will be \$1 million per month or just \$12 million per year in return for free rides by the elderly throughout the year.*

Deputy President, on 13 October last year, Mr Donald TSANG, the Chief Executive, made an undertaking to my Honourable colleague, Dr PAN Pey-chyou, in this Chamber that he would discuss the issue with the HKT. I do not need any theory pronounced by the Secretary just now. As the Chief Executive, his integrity is most important. Whether he has honoured his undertaking is equally important. Everybody in the world and everybody in Hong Kong are now concerned about the integrity of the prospective Chief Executive. The Chief Executive made the undertaking that he would discuss the

issue with the HKT, from which, however, I have learnt that no government official has ever engaged in any discussion with the company.

So, my follow-up question is as follows. May I ask the Secretary through the Deputy President whether the Government has discussed the issue with the HKT after 13 October? If yes, when did the discussion take place and what were the results? If not, why not? Does Chief Executive Donald TSANG want to muddle through in the next few months so that he can look on with folded arms after his term of office has expired with this complete mess being left to the next Chief Executive and Government? Does he want to muddle through?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, as I have pointed out clearly in the main reply, the concessionary fare of \$2 under the Scheme is based on the existing concessionary fare of \$2. First of all, I very much appreciate that the HKT has provided concessionary fare for the elderly, for which we are most grateful. As the concessionary fare of tram is already lower than \$2, we think the focus should be placed on the three major modes of public transport, *viz.* the MTR, franchised buses and ferries, as I have made it clear in the main reply.

We did contact the HKT and held discussions with it; it was on 30 November last year. Colleagues of the Labour and Welfare Bureau, Transport Department and the Transport and Housing Bureau had clearly explained to the top management of the HKT our policy objective, principle and position, apart from stating clearly that we did not rule out the feasibility of extending the Scheme to cover the tram. We just want to deal with the major modes of public transport first, which is regarded as the most urgent task, before considering the way forward. The HKT understands the Government's intention and this is very clear.

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

MR WONG KWOK-HING (in Cantonese): *The Secretary has not answered the thrust of my supplementary question concerning the Government's discussion*

with the HKT. According to the HKT, the Government simply informed them of the policy mentioned just now at a meeting in November, instead of discussing it with the company. The HKT is willing to participate in the Scheme and also I hope the Secretary can tell us why the Government has not discussed it with the company.

DEPUTY PRESIDENT (in Cantonese): Your question is clear. Mr WONG, please sit down. Secretary, do you have anything to add?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I have answered the question clearly. We have approached the HKT and explained our position in an effective mutual communication. To my understanding, the HKT understands the Government's position and intention.

MR TOMMY CHEUNG (in Cantonese): *Deputy President, the Liberal Party supports the Chief Executive's proposal of launching the Scheme to offer concessionary fares to all elderly people aged 65 or above and eligible persons. However, the proposed Scheme will only apply to the MTR, franchised buses and ferries, instead of covering all modes of transport. Residents living in some areas and housing estates in Hong Kong, which are not served by the MTR or directly accessible by franchised buses, have to rely on other modes of transport. Therefore, elderly people and people with disabilities living in these areas will not enjoy the concessions under the Scheme.*

Therefore, Deputy President, may I ask the Secretary whether he has contacted any PLB and green minibuss associations in respect of the Scheme to discuss what appropriate arrangements can be made in order to tackle the difficulties involved so that these two modes of public transport can also be included in the Scheme? If yes, what are the results of the discussions; if not, what are the reasons for that?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, thanks to Mr CHEUNG for his question and views. I have given a clear explanation in part (c) of the main reply. Our priority task now is to deal

with issues related to the launch of the Scheme on these three modes of public transport, *viz.* the MTR, franchised buses and ferries, which are covered in the first phase of the Scheme. Following the geared-in implementation of the Scheme, we will review the feasibility of extending its scope to cover other modes of public transport in the second phase. The PLB and green minibus proposed by many Members and the tram mentioned by Mr WONG will all be considered after the geared-in implementation of the Scheme.

In the main reply, I have explained the complicated situation of PLBs at this stage. It is clear that there are many PLB operators and they are small in scale. There are many "bosses" owning different kinds of PLB and some PLB operators do not provide any concessionary fare. Under such circumstances, if the Scheme is extended to PLBs, it will definitely delay the timetable of its implementation. Members are all concerned about the Scheme and hope that the concessionary fare of \$2 can be implemented expeditiously. However, the Scheme is very complicated, and in my reply to Mr Frederick FUNG's written question, the 12th written question today, I have made it clear that the time-consuming procedures are very complicated. We should deal with the modes of public transport which account for 70% of our patronage before considering extending the Scheme to other modes of transport after its geared-in implementation.

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

MR TOMMY CHEUNG (in Cantonese): *Deputy President, the Secretary has not answered whether he has conducted any discussion, and if not, why not; if yes, what are the results. Just now he told us that following the implementation of the Scheme, discussions would be held. How long will it actually take? Will it take six months or six years before discussions can take place?*

DEPUTY PRESIDENT (in Cantonese): Secretary, please give a reply concerning whether discussions have been held.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, in this process

DEPUTY PRESIDENT (in Cantonese): Or, Secretary, do you simply ignore it and follow your own plan? This is the thrust of Mr CHEUNG's question.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, we have indeed received views from many organizations in the past period and correspondences have been exchanged. The Transport Department has also held meetings with PLB associations and trade unions on a regular basis. In fact, a meeting will be held in March, in addition to our previous meetings and contacts. Therefore, there are channels for us to communicate with each other from time to time.

MR CHEUNG KWOK-CHE (in Cantonese): *Deputy President, I think people with disabilities and the elderly usually take public transport during off-peak hours, hence the operators need not increase the service frequency. In other words, they can increase their profits.*

As the Government will provide additional resources to maintain the concessionary fare of \$2 on the premise that the operators will maintain the existing fare concessions, I consider the Government's subsidy this time around is too lax. Can the balance of the fare after offering a concessionary fare of \$2 be shared jointly by the operators and the Government? I am sure that through such an arrangement, the Government can allocate the savings thus made to other areas. May I ask the Government whether it will adopt such an approach so that the savings can be used for other purposes?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Concerning Mr CHEUNG's supplementary question, the underlying spirit of the Scheme is to provide subsidy on an accountable basis on top of the fare concessions currently offered by the operators. This is the spirit of the Scheme offering a concessionary fare of \$2 per trip as a whole. Our major premise is that the existing fare concessions cannot be revoked, which has been clearly stated to the

operators as the most basic condition because government subsidy can hardly be justified and the fare concessions currently provided by the operators must be maintained. There is no objection as far as this point is concerned.

In fact, our discussion on the arrangement of reimbursement on an accountable basis is in full swing at the moment. All information will be submitted to the Finance Committee later and Members will understand the whole package by then. Our spirit is that the operators have to maintain the existing concessions as a prerequisite for the Government's commitment. This is our joint responsibility.

MR CHEUNG KWOK-CHE (in Cantonese): *Deputy President, I actually*

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

MR CHEUNG KWOK-CHE (in Cantonese): *..... I am not saying that the Government cannot make such a request, but I think the Government has to pay more money than required by adopting such an approach*

DEPUTY PRESIDENT (in Cantonese): Mr CHEUNG, what you think is not the point here. At the present stage, you should state which part of your supplementary question has not been answered by the Secretary.

MR CHEUNG KWOK-CHE (in Cantonese): *He has not answered, he has responded in the same way as he did. He has not told us whether joint commitment and equal commitment are feasible.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, as I have made it clear just now, our starting point is that the existing concessions must be maintained, and so the Scheme will be launched only on this premise. According to the design of the Scheme as a whole, reimbursement on

an accountable basis will be made to compensate the operators of the fare difference or the loss of fare revenue.

MR WONG SING-CHI (in Cantonese): *Deputy President, some operators of public transport have taken a few more steps forward than the Government. For instance, the Star Ferry offers free rides to the elderly while the Hong Kong Tramways also provides a concessionary fare of \$1 per trip. These operators which have taken a few more steps forward are laudable. But unfortunately, when the Government wants to claim credit by launching the concessionary fare of \$2 per trip for the elderly, it has ignored that these operators have done a good deed. Instead of giving encouragement to these operators, the Government has encouraged those which were reluctant to give any concessions in the past, despite repeated requests, to participate in the Scheme. As a result, the existing arrangement has come into being.*

I hope the Secretary can answer this question. Regarding the present approach of excluding the Star Ferry, the tram and even some PLBs from the Scheme of \$2 a trip, as well as preventing the relevant operators from gaining appreciation and participating in the Scheme, are these public transport operators which have done a good deed subject to suppression so that they will be deterred from providing concessionary fares for the elderly in the future? Are these operators subject to suppression?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, thanks to Mr WONG for his supplementary question. I do not understand why he has used the word "suppression". The whole thing is a good deed and I would like to solemnly thank the HKT and Star Ferry, especially the latter for having introduced free rides for the elderly a long time ago. This is the most outstanding demonstration of social and civic responsibility, definitely laudable. Therefore, we have no reason to suppress it. However, if it is suggested that the fares of these modes of transport be subsidized by the Scheme, it is not the Scheme's original intention. The Transport and Housing Bureau has formulated its own fare policy for determining and adjusting the fares and these two things should not be confused. I also hope that Members will not use the word "suppression" because the whole arrangement by the operators concerned is a good deed.

MS STARRY LEE (in Cantonese): *Deputy President, the Secretary's reply just now cannot convince me at all. Why will the launch of the Scheme be delayed if the PLBs and the tram are also included, thereby resulting in delaying the benefit for the elderly? I have listened very carefully to the Secretary's reply. He said it is difficult to reach a consensus due to the fact that there are numerous PLB operators. May I ask the Secretary whether he knows, as I understand it, PLB associations and most of the green minibuses operators are ready to discuss with the Secretary participation in the Scheme? This is the first point. Second, as Members have reiterated, the HKT is also prepared and willing to be included in the Scheme as long as the Secretary agrees to it.*

Does the Secretary agree to what I said? If he does, will he engage in discussions with the operators of these two modes of transport afresh in the hope that the PLBs and tram will be included in the Scheme in the first phase of implementation?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, thanks to Ms LEE for her views and the supplementary question. I would like to clarify once again that we do not discriminate against or ostracize any modes of transport. Members should understand that things are dealt with according to priority. We all wish to see that the Scheme of offering a concessionary fare of \$2 per trip can be implemented expeditiously, and we are frequently asked when the Scheme will be launched. However, it is already a very big project for us to deal with the three modes of public transport, viz. the MTR, franchised buses and ferries that we mentioned just now.

I would like to tell Members that the complexity involved is inconceivable. Initially, we also underestimated the complexity, thinking that it was relatively simple. One will get a false impression that the Scheme is as simple as requiring the commuters to use the Octopus card, thus finding it hard to understand why so much complexity is involved. In reality, we have to put in countless hours of efforts behind using the Octopus card. Let me briefly explain the complexity involved and why we cannot deal with the PLB and other modes of transport at the present stage. We have actually dealt with the matter in a focused manner in the hope that the Scheme will be launched on the most popular modes of transport. Following the geared-in implementation of the Scheme for a period of time, we will consider the launch of the second phase of the Scheme. It is not

true that other modes of transport are not considered. However, if lots of complicated issues are included at this stage, we have to communicate with many operators, not to mention that the systems of some PLBs may not be able to cater for the Scheme.

For the MTR alone, there are 11 000 fare combinations which will necessitate adjustments to the software and hardware. The Octopus will need at least six months' time to rewrite the software, apart from the need of upgrading and re-testing all card-readers. Meanwhile, it is also necessary to replace the equipment on 5 800 buses and more than 100 MTR buses/feeder buses during the night when service is suspended, in addition to upgrading the computer system. Therefore, the whole system is not as simple as we think. On the contrary, every minute counts. I promise that all matters, especially the financial arrangements, application for funding to the Legislative Council, discussion of the issue at the relevant panels, as well as amending the legislation on people with disabilities will be dealt with before the expiry of the term of the current Government. As for the co-ordination of other hardware and software, as well as the works to be carried out by the operators, we hope that they can be dealt with expeditiously and a two-pronged approach can be adopted so that the Scheme can be launched in the second half of the year.

If Members request that other modes of transport be included in the Scheme, it may not be able to be implemented by mid-2013 as a result. This is my most pragmatic reply. We do not exclude other modes of transport. Rather, we have to launch it step by step to ensure smooth implementation because no systematic error can be allowed. Or else, it may lead to greater disappointment.

MS STARRY LEE (in Cantonese): *The Secretary has not answered my supplementary question. Does the Secretary know that various PLB associations and the HKT are also ready to participate in the Scheme? To our understanding, many people use the Octopus card to pay fares when they travel on various modes of transport, so can the Secretary re-examine whether these two modes of transport can be included in the first phase of the Scheme?*

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, frankly speaking, it is already a tall challenge for us to deal with the three major transport operators in the first phase. We must seize the time in the hope that we can tackle this first. I promise that there will not be any foot-dragging after the completion of this stage because problems, if any, will be highlighted after the launch. After that, we will be able to study whether other modes of transport can be included in the Scheme. This is our commitment.

DR PAN PEY-CHYOU (in Cantonese): *Deputy President, I think the tram, as a mode of transport with a lot of merits, is particularly suitable for the elderly and passengers with disabilities because its fare is indeed the cheapest among all modes of public transport. Second, as the tram runs on the roads offering passengers easy boarding and alighting, particularly for the mobility-handicapped elderly and some people with disabilities. Third, this mode of public transport is also*

DEPUTY PRESIDENT (in Cantonese): Dr PAN, please come to your supplementary question.

DR PAN PEY-CHYOU (in Cantonese): *Yes. In fact, the tram is also very environmentally-friendly. However, the Government has refused to include the tram in the Scheme on a pretext which is most perfunctory in my opinion. I would like to ask the Secretary the following question. Just now he repeatedly mentioned that a review would be conducted after the first phase of the Scheme, but I did not hear the date of the review. When will the review be conducted so that other modes of transport, such as the tram, can be included in the Scheme? I believe the elderly are getting very anxious. If the Secretary is unable to suggest a specific date, can he promise that the tram fare paid by the elderly now can be refunded to them when the Scheme is extended to include the tram in the future?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, thanks to Dr PAN for his views and the supplementary question. First of all, I would like to reiterate that we will first of all focus on dealing with the general MTR lines, franchised buses and ferries currently covered by the Scheme. After the implementation of the Scheme has become geared-in and smooth, we will immediately review whether there is any room for extending its scope. The tram, PLB and green minibus, especially the latter, will certainly be taken into consideration by then.

DR PAN PEY-CHYOU (in Cantonese): *I still did not hear any date being suggested by the Secretary for the review.*

DEPUTY PRESIDENT (in Cantonese): Secretary, Dr PAN asked whether a date has been fixed.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I believe we have to wait until the Scheme has started operating before we can see whether it runs smoothly. Under the current circumstances, the Scheme can really be implemented in the second half of this year the soonest. It is understood that our schedule is as tight as a race against time because people hope that the Scheme can be implemented as soon as possible. It will at least take a year or so after the implementation of the Scheme before we can consider how best to improve it

DR PAN PEY-CHYOU (in Cantonese): *A year or so*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): and extend the scope of the Scheme.

DEPUTY PRESIDENT (in Cantonese): We have spent 24 minutes on this question. Last oral question.

Support Services for People with Mental Illness and People Recovering from Mental Illness

6. **MR WONG SING-CHI** (in Cantonese): *Deputy President, an incident of a person with mental illness killing another person happened earlier at Choi Yuen Estate in Sheung Shui. There have been comments that this is a result of the reduction in psychiatric beds by the Hospital Authority (HA) in recent years, which has substantially increased the number of people recovering from mental illness in the community, but the ancillary facilities in the community are insufficient. In addition, some cases of people with mental illness receiving social rehabilitation services are followed up by various government departments such as the police, Housing Department and Social Welfare Department (SWD) as well as non-governmental organizations (NGOs), but the patients' records of violence kept by such departments may be different. In this connection, will the Government inform this Council:*

- (a) *whether the aforesaid problems of follow-up by government departments and organizations and records of cases arose from insufficient communication and co-ordination among various departments; whether this problem has been reviewed by the Working Group on Mental Health Services, which is a multi-disciplinary consultation mechanism set up by the Government;*
- (b) *of the progress of the authorities' efforts in enhancing community support; of the progress of introducing Community Treatment Orders; whether it knows the number of case managers to be recruited by the HA for launching the Case Management Programme in the 12 districts across the territory, the number of vacancies not yet filled at present, and the number of people with severe mental illness to be followed up by each case manager; of the number of Integrated Community Centres for Mental Wellness (ICCMW) being planned by the SWD for which the locations have yet to be identified, and of the District Councils or districts the residents of which oppose to the provision of such centres; and*
- (c) *whether it has assessed how incidents of people with mental illness committing killings affect the views of the public towards people with*

mental illness, and whether they will give rise to ostracism and discrimination, as well as what difficulties will be created for the implementation of community-based rehabilitation; of the authorities' measures to respond to members of the public having a prejudice against people with mental illness after the occurrence of the aforesaid incident; whether they will consider making reference to overseas experience and adopt measures to encourage the media to be impartial and positive in their reports about mental illness and people with mental illness?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, the Government is concerned about all incidents involving violence, including cases involving persons recovered from mental illness. The Government is committed to promoting mental health among members of the public. As the mental health policy and provision of related service programmes involve a number of Policy Bureaux and government departments, the Food and Health Bureau assumes the overall responsibility of co-ordination and works in close collaboration with the Labour and Welfare Bureau, Department of Health (DH), Hospital Authority (HA), SWD and other relevant government departments.

It is the international trend to gradually focus on community and ambulatory services in the treatment of mental illness, and to allow the early discharge of mental patients when their conditions are stabilized for treatment in the community. Hence, the Government has strengthened its community psychiatric services in line with this direction in an effort to allow more patients who are suitable for discharge to receive treatment in the community, so that they can reintegrate into the community and start a new life as early as possible. The Government has increased the funding allocation for mental health services on a continuous basis. The revised estimate in 2011-2012 has increased by about 30% when compared with the actual expenditure in 2007-2008, with the total amount of funding allocation for the past five years exceeding \$19 billion.

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

- (a) The directions of our mental health policy is to adopt a multi-disciplinary and cross-sectoral team approach in delivering a comprehensive range of mental health services which are accessible

by people in need on a continuous basis. We have also put in place a platform for communication and a mechanism for co-ordination at various levels to foster collaboration between the medical and social service sectors.

At the level of policy formulation, we set up the Working Group on Mental Health Services in 2006. It is chaired by me and comprised of stakeholders with relevant service experience from the medical, social service and other related sectors to assist in the formulation and review of our mental health policy and services.

At the level of service delivery, since 2010, SWD Headquarters and HA Head Office have set up a Central Coordinating Group in collaboration with the NGOs operating ICCMW to discuss the co-ordination of the service strategies and explore more effective models of collaboration.

At the district level, District Social Welfare Officers of the SWD and the Chiefs of Service of the Department of Psychiatry in various HA clusters hold working group meetings at regular intervals to maintain liaison with psychiatric medical social workers and ICCMWs in the respective districts as well as other relevant government departments, including the police and the Housing Department. When handling cases involving mental patients, various departments will hold case conferences where necessary in order to formulate rehabilitation plans for the patients.

The existing multi-disciplinary team approach and the inter-department communication mechanism are functioning effectively. We will continue to strengthen our co-ordination role and provide more comprehensive and intensive support for mental patients.

- (b) There is suggestion that the Government should introduce a Community Treatment Order to require mental patients to receive designated treatment while living in the community. Since the relevant legislative proposal will have far-reaching impact on both patients and society in a number of aspects, such as protection of

patients' personal data and scope of authority of healthcare professionals, thorough consideration is necessary.

Since 2010-2011, a Case Management Programme (CMP) has been launched on a pilot basis for patients with severe mental illness. At present, the CMP has been implemented in eight districts. As at the end of 2011, the HA has employed a total of 138 healthcare and allied health personnel with experience in community mental health services as case managers for the provision of intensive and personalized community support to some 9 000 patients. In the coming year, this Programme will be further extended to cover another four districts. By then, this service will be available at all HA clusters and it is estimated that some 40 additional case managers will be employed.

The ICCMWs, set up by the SWD, are operated by NGOs to provide community support and referral services for clinical assessment and psychiatric treatment through a new district-based and one-stop service mode. Since October 2010, ICCMWs have been in operation at 24 service points across the territory. Of these 24 ICCMWs, six have already been operating in permanent accommodation. Furthermore, nine have secured permanent accommodation, including seven where preparatory work is being carried out and two where local consultation will be conducted later this year.

Some members of the local community may have opposing views on the proposed locations for ICCMWs. However, the SWD has not shelved any construction or reconstruction plan for the setting up of ICCMWs as a result of such views. The SWD will continue to strengthen communication with the local community in a proactive and pragmatic manner with a view to identifying permanent accommodation for ICCMWs in the other districts as soon as possible.

- (c) The Government has all along launched publicity campaigns and promotional activities on mental health on an ongoing basis so as to

reduce misunderstanding and discrimination against persons with mental illness in the public.

Since 1995, the Labour and Welfare Bureau has been organizing the "Mental Health Month" programme annually in collaboration with more than 20 government departments, public organizations, NGOs and the media, and co-operation with the media to report on mental illness and mental patients in a positive manner is included under the programme. In the coming year, the Labour and Welfare Bureau will continue to reinforce its efforts in promoting the spirit and core values enshrined in the United Nations Convention on the Rights of Persons with Disabilities. The themes of the public education activities will include promotion of mental health and full re-integration of persons recovered from mental illness into the community.

The HA has already launched the "Child and Adolescent Mental Health Community Support Project" to promote mental health among youngsters and their parents through the schools and community youth centres while the DH has also included mental health in its public health education programme. Moreover, ICCMWs have organized over 2 700 public education activities to enhance the community's understanding on mental health. ICCMWs will continue to organize public education and publicity activities to eliminate discrimination against persons recovered from mental illness among members of the public.

Like other illnesses, there are both mild and serious cases of mental illness. Given the advancement in medical technology and development of medicines in recent years, psychiatric treatments nowadays are much more effective than those in the past. To achieve the objective of facilitating early reintegration of patients into the community, the public should have understanding and acceptance for mental patients, and should not have double standards when treating patients with mental illness and those with other illnesses. Most mental patients do not have propensity to violence and a majority of persons recovered from mental illness can reintegrate into the community and start a new life.

There has been greater awareness of mental illness among the public in recent years. Mental patients need the support and care from their family and friends in the course of treatment and recovery. Early identification of the symptoms of mental illness and seeking treatment in a timely manner can help patients receive the appropriate treatment at the earliest possible time. The relevant government departments will continue their close collaboration to raise the public's awareness of mental illness so that both mental patients and persons recovered from mental illness can be accepted by the general public for building an inclusive society.

MR WONG SING-CHI (in Cantonese): *Deputy President, the Government indicated in part (a) of the main reply that the existing multi-disciplinary team approach and the inter-departmental communication mechanism are functioning effectively. I wonder if the Secretary knows that, following the killing incident in Sheung Shui which involved a person with mental illness, the police said that an incident of violence had occurred, but the SWD said it had no record of any incident of violence. Meanwhile, the Housing Department said that it had reported all the available information to the high-ranking personnel and the low-ranking staff had no knowledge of what had happened.*

Deputy President, during the several years after the Secretary had taken over the helm of the Working Group on Mental Health Services in 2006, the number of psychiatric beds was reduced by 800 in total, then a knifing incident caused by a person with mental illness occurred in Kwai Shing, followed by the recent tragedy of a killing in Sheung Shui caused by a person with mental illness. Does the Secretary agree that there are some loopholes in the Working Group on Mental Health Services in terms of the co-ordination of policies? How would he address such loopholes?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, Mr WONG is trying to discuss two issues at the same time.

First, the number of psychiatric beds is indeed being reduced gradually, but such reduction is mainly due not to the supposition that we simply place those people with severe mental illness or violence-prone patients back into the

community without follow-up, but rather, most importantly, to the current approach to dealing with mental patients being underpinned by objectives different from those of the past. In the past, many patients were hospitalized in mental institutions for the purpose of isolation from society, but nowadays, except for a small number of patients who have no chance of recovery, we wish that most patients could be discharged. Therefore, over the past years, we have been hospitalizing patients solely for the purpose of treatment. Given that isolation is not the purpose of hospitalization, the objectives have changed significantly.

Regarding the several cases raised by the Honourable Member, we have studied them with relevant professional bodies. They held the view that there were no mistakes in the handling. However, all cases are not readily detected and prevented early. Certainly, I believe that communication and mutual exchanges of information remain issues of concern among various departments and, where necessary, the relevant departments will be notified of patient information for timely handling.

Having said that, regarding the number of beds, I have to further clearly explain that even with the current reduction of hundreds of beds, the bed occupancy rate of the several mental hospitals stands at just 77%, which implies room for the provision of more services. Most importantly, only patients requiring hospitalization are admitted. No patient should be unnecessarily hospitalized.

DR LEUNG KA-LAU (in Cantonese): *I wish to follow up the Secretary's reply with regard to the staffing and recruitment issues of the CMP.*

Basically, the Secretary has not answered Mr WONG Sing-chi's question, namely about the size of staff establishment. The Secretary should have provided data. If my memory has not failed me, there are currently about 40 000 cases of severe mental illness, but only 138 case managers have been employed to take care of 9 000 people. With so many people with severe mental illness, they have to wait several months before attending a follow-up consultation. Thus, in the meantime, the patients rely very much on the in-depth and personalized support of case managers.

There are only 138 case managers to serve 9 000 patients. In other words, each case manager is responsible for about 65 cases. Reportedly, they have to be on standby 24 hours a day. So, is it because of too heavy a workload due to the current staff establishment being too small, as well as the excessively poor conditions of employment, that it is difficult to recruit sufficient case managers at present?

May I ask the Secretary, since the commencement of this programme 18 months ago, how many of the 138 case managers have quit? The issue is that, by my calculations, it may require no less than 1 000 to 2 000 case managers to take care of so many mental illness.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, just in the context of staff establishment for mental health services of the HA, there are currently more than 300 doctors and more than 1 900 nurses. Some of them are also serving as case managers. The case managers must possess sufficient experience in independent handling of cases, because more often than not they have to make independent decisions. Hence, they cannot designate inexperienced nurses or allied health professionals to serve as case managers. For one thing, they need to recruit people with specific experience, and for the other, training for new recruits has to be stepped up.

Therefore, we have to increase the manpower in a progressive manner. The experience over the past year suggests that the figures are basically on the rise. I have no wastage figures but, in general, the response we have received is that both the staff and those patients receiving services consider the CMP useful to a certain extent in improving the quality of service. Hence, we must continue to recruit staff in this regard.

On the other hand, should all those over 40 000 severe cases be dealt with through case managers? No, because there are different service units in different districts. They are staffed by other experienced nurses or psychiatric nurses to provide care, with the help of psychiatrists if necessary. Hence, while the service model is still evolving, it is most imperative that we, after introducing a direction based on community services, implement it in a progressive manner and learn from experience.

To that end, we must slowly accumulate experience, and then deal with the changes brought about by the new laws on community psychiatry or other needs just mentioned in the main reply. Therefore, while recognizing the paramount importance of progress at this stage, we believe that the Government will gradually beef up both resources deployment and manpower.

DR LEUNG KA-LAU (in Cantonese): *Can the Secretary provide us with the wastage rate of case managers over the past 18 months after the meeting?*

DEPUTY PRESIDENT (in Cantonese): Secretary, can you provide the relevant information in writing?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Yes, I can. (Annex II)

DR JOSEPH LEE (in Cantonese): *Deputy President, part (b) of the Secretary's reply is related to the issue of case managers raised by Mr LEUNG Ka-lau earlier. My supplementary question is: At present, there are 2.68 psychiatric nurses per 10 000 people in Hong Kong, which is much lower than the respective ratios of 8.63 and 5.3 psychiatric nurses per 10 000 people in the United Kingdom and Australia. Because of the inadequate number of nurses, case managers are brought in as a stop-gap measure to take care of the mental patients. There is no cause to castigate the authorities for having taken such an approach, but many of the case managers have been transferred from senior healthcare positions, which in other words means that the existing healthcare workers would be tempted to quit their jobs.*

According to the main reply, the Secretary wishes to recruit about 40 additional case managers in this year or the next, which would bring the total up to about 180. By my calculations, I find that each of these 180 case managers has to take care of about 60 people, and in total about 10 000 people can be taken care of. However, as Dr LEUNG Ka-lau said earlier, there are about 41 000 patients with severe mental illness in the communities of Hong Kong.

The Secretary also mentioned earlier that these people might not need to be taken care of by case managers and would be dealt with in other ways.

Nevertheless, I still wish to ask the Secretary this question. There are still more than 30 000 patients with severe mental illness in the community Of course, they may be in stable conditions and do not need to be isolated for reasons of instability, but may I ask the Secretary whether he has any concrete actions and figures to put our minds at ease? Although these over 30 000 people are in stable conditions, they are always high-risk patients with severe mental illness. How can the community take care of them then?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, all the people with severe mental illness are currently required to attend regular follow-up consultations, and followed up by psychiatric nurses or social workers when necessary. Hence, it is not that once identified as "severe", a patient must then be provided with certain specific services, because the patient's condition may also change. Sometimes stable patients will eventually become unstable, and unstable patients may gradually stabilize at a certain stage. Therefore, overall, we have to rely on expert judgments to determine the amount of human resources they need.

We have held a number of meetings with experts in the past and learnt that the addition of case managers may not necessarily affect other existing services. We also understand that at times of great demand for beds in the past, many healthcare workers served in mental hospitals. However, at present, most patients have gradually been transferred to the community, so we also deploy those workers who used to work in hospitals to the community in order to focus their efforts on certain patients with special needs.

The creation of the post of case manager aims primarily to provide attentive care to those people with severe mental illness whose conditions are unstable, so that they can recover more easily and risks to society are reduced.

DR JOSEPH LEE (in Cantonese): *My supplementary question is: What concrete actions would the Secretary take to look after these over 30 000 people, given my knowledge that at present*

DEPUTY PRESIDENT (in Cantonese): You have made yourself clear. You need not make repetition.

DR JOSEPH LEE (in Cantonese): *the accident and emergency departments of some hospitals in the community are also staffed by psychiatric nurses*

DEPUTY PRESIDENT (in Cantonese): You need only point out which part has not been answered. Secretary, do you have anything to add?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, as I said earlier right at the beginning of the main reply, we will take proper care of these over 40 000 patients. Those patients in severe but stable conditions will also be followed up during their regular follow-up consultations, but those severe and unstable patients must be dealt with by case managers.

MR CHEUNG KWOK-CHE (in Cantonese): *The provision of the CMP for people with severe mental illness can directly help their rehabilitation. Dr LEUNG Ka-lau also mentioned earlier that at present each staff member has to take care of 65 cases. In foreign countries, each case manager has to handle 20-odd cases only. In my view, as far as the situation of Hong Kong is concerned, 30 to 40 cases are already the limit. Therefore, the current need of 1 000 case managers to take care of 40 000 patients as suggested by Dr LEUNG Ka-lau earlier is a reasonable ratio. Of course, the Secretary may tell us that*

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

MR CHEUNG KWOK-CHE (in Cantonese): *this target will eventually be reached. In fact, this is not my concern, because it was mentioned by Dr LEUNG Ka-lau earlier. My concern is about what will happen to the remaining*

six districts, given that, as the Secretary mentioned earlier, the CMP is currently implemented in eight districts and will be extended to cover four more districts next year?

I have been told that case managers are not yet available in Sheung Shui

.....

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

MR CHEUNG KWOK-CHE (in Cantonese): *May I ask how the coverage will be fully extended to 18 districts? Can it start from next year onwards?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, we consider the CMP a pilot programme, which is considered successful based on our preliminary assessment. If the implementation of this Programme is successful, we will undoubtedly apply it to all districts and all service units across the territory, so that patients may receive such care regardless of their districts of residence.

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

WRITTEN ANSWERS TO QUESTIONS

Unscrupulous Business Practices of Some Ginseng and Dried Seafood Shops

7. **MR WONG TING-KWONG** (in Chinese): *President, last year, the Consumer Council (CC) received 305 complaints against ginseng and dried seafood shops which deceived customers with unscrupulous practices, representing an increase of 34% over the figure of the previous year. Among such complaints, the number of cases which involved misleading indication of unit price also surged by 88% from 117 to 220, with 85% of the complainants*

being Mainland tourists visiting Hong Kong, and it has been learnt that the shops being complained against are mainly located in tourist areas. In this connection, will the Government inform this Council:

- (a) given that there are clear regulation and penalties in the Trade Descriptions Ordinance (Cap. 362) (the Ordinance) regarding a retailer's display of a sign to indicate the price of goods, yet the number of complaints about misleading indication of unit price is still increasing with a significant surge of nearly 90% instead of decreasing, whether it knows the reasons for that;*
- (b) of the inspections conducted and enforcement actions taken by the Customs and Excise Department (C&ED) in relation to the Ordinance in the past three years; whether it will step up efforts in conducting inspections in response to the increase in complaints; if it will, of the details; if not, the reasons for that; and*
- (c) focusing on the problem of unclear units of quantity, whether the authorities have plans to strengthen education for shop operators, the public and tourists in this regard, and publicize that unit prices must be displayed clearly as required by the relevant legislation; if they have, of the detailed contents of such plans; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, pursuant to section 7 of the Ordinance, any person who, in the course of any trade, applies a false trade description (such as composition, weight, place of manufacture, and so on) to any goods commits an offence. Section 13A of the Ordinance also provides that any person who, without reasonable excuse, displays in the course of any trade, a sign which indicates a price set by reference to any unit of quantity for any goods that are exposed for sale but fails to indicate the price per unit of quantity in a readily comprehensible manner (as known as "confusing price units") commits an offence. Offenders are liable to a maximum fine of \$500,000 and imprisonment of five years. The C&ED is responsible for the enforcement of the Ordinance.

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

- (a) According to the observation of the C&ED, since the commencement of the aforesaid section 13A in March 2009, price signs of ginseng and dried seafood traders have been displaying in a more readily comprehensive manner generally. We believe that the increase in number of complaints (and those involving tourists) is the result of our enhanced publicity and education as well as the enhanced knowledge among members of public and tourists about such kind of unscrupulous sales tactics, which have raised their vigilance and made them more willing to lodge complaints. It is also partly due to the fact that tourists have become the main target of such unscrupulous sales tactics in the recent years.
- (b) To ensure traders' compliance, the C&ED regularly patrols retail traders and deploys extra resources especially during long holidays in renowned shopping and tourist areas. The Department also deploys the Quick Response Team to handle urgent complaints about contravention of the Ordinance with a view to protecting the rights of consumers.

To enhance the effectiveness of enforcement, the C&ED has adopted a risk management mode by carrying out targeted spot checks against identified high-risk ginseng and dried seafood traders which were repeatedly complained against according to the risk profiling, seriousness of the problem and market situation. Taking into account the actual circumstances, the C&ED uses various methods to carry out inspection, including undercover test-purchases as well as high-profile patrols against retail traders in shopping areas and trade fairs to raise public awareness and as part of the education effort. Moreover, even if no discrepancy is found during the inspection, staff of the C&ED will repeatedly remind the traders of the principle of fair trade to ensure their compliance and for education purpose. It has also enhanced the co-operation and intelligence exchange mechanism regarding complaints received with the Hong Kong Police Force, the CC, the Tourism Commission, the Travel Industry Council (TIC) and the Hong Kong Tourism Board, as well as to arrange large-scale joint operations with other enforcement agents.

The figures of patrols by the C&ED against traders of ginseng and dried seafood are listed as follows:

	2009	2010	2011	Total Number
Patrol	588	635	689	1 912
Prosecution	8	0	1	9

In January this year, the C&ED successfully prosecuted two hawkers selling dried abalones, who partially or completely obscured the unit quantity on the placards with objects to mislead consumers by confusing price unit during patrol of the C&ED in late 2011. The two hawkers were convicted and fined \$5,000 and \$2,000 respectively by the Court, with the seized goods forfeited.

The C&ED will continue to monitor the market situation closely, and when necessary, step up enforcement operations against outrageous traders.

- (c) The C&ED attaches great importance to publicity and education to traders, members of public and tourists. Apart from distributing pamphlets to the traders and consumers, the Department distributes pamphlets in English, and traditional/simplified Chinese characters, to tourists arriving at boundary control points so as to raise their awareness about the sales tactics of dishonest traders. Meanwhile, the C&ED promotes the message of consumer protection through mass media and the platform of CC's homepage. Moreover, the C&ED from time to time organizes educational seminars for various trade associations to enhance their understanding in compliance with the Ordinance. It also delivers talks to tourist guides registered under the TIC to raise their awareness and to deliver the message of consumers' rights to the tourists through them.

Furthermore, the CC reminds consumers of various deceptive sales tactics in its *CHOICE* Magazine from time to time. In the issue published in January this year, a dedicated article was issued focusing on the tactic of confusing price units in notorious ginseng and dried seafood shops. The CC has also uploaded the cases concerned onto its "ShopSmart" homepage which is set up for tourists from the Mainland to increase their awareness.

Nuisance Behaviour in MTR Train Compartments

8. **DR RAYMOND HO** (in Chinese): *President, there have been media reports from time to time that the behaviour of some individual passengers in MTR train compartments contravenes the provisions in the Mass Transit Railway By-Laws (Cap. 556B) (the By-Laws) and causes nuisance to other passengers, and dissuasion or intervention by other passengers often results in verbal or physical conflicts. In this connection, will the Government inform this Council:*

- (a) *whether it knows the statistics on complaints about acts of contravention or nuisance behaviour of MTR passengers in train compartments in each of the past three years;*
- (b) *of the number of passengers being prosecuted for breaching the By-Laws in the past three years, broken down by year and the act of contravention concerned; and*
- (c) *whether it knows if the MTR Corporation Limited (MTRCL) has assigned dedicated staff members to report on passengers who contravene the By-Laws; if the MTRCL has not, of the reasons for that; if the MTRCL has, whether the MTRCL will consider stepping up its efforts in reporting on such passengers in order to achieve a deterrent effect and reduce disputes among passengers caused by such acts of contravention?*

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

- (a) The number of passenger complaints received by the MTRCL from 2009 to 2011 against inappropriate passenger behaviour occurred within the railway premises is as follows:

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Number of complaints	49	60	125

The above complaint cases involve passengers bringing oversized luggage into railway premises, eating or drinking inside the paid area, sitting on train floor, playing inside stations, indulging in

personal behaviour that causes nuisance to other passengers, and asking passengers for newspapers or soliciting for business, and so on.

The MTRCL does not maintain separate figures on the number of complaints against inappropriate passenger behaviour inside train compartments.

- (b) Matters such as fares and tickets, conduct of passengers and activities of members of the public within the railway premises, and so on, are regulated by the Mass Transit Railway By-laws (MTR By-laws).

The number of cases in which passengers demonstrated inappropriate behaviour that violated MTR By-laws and were prosecuted between 2009 and 2011 is set out in the Annex.

When handling passengers' inappropriate behaviour, MTR staff will generally make verbal requests or issue written warnings depending on the seriousness of the situation. If the inappropriate behaviour is not rectified after repeated requests, MTR staff will collect relevant personal information from the passenger for initiating prosecution. In fact, in most cases, the passengers concerned will stop their inappropriate behaviour after MTR staff have made requests or issued written warnings.

- (c) MTR staff conducts patrols in stations and train compartments on a daily basis to perform related duties. The MTRCL encourages passengers to report to MTR staff as soon as possible in case they are disturbed by other passengers' behaviour for immediate handling.

To strengthen its efforts in combating fare evasion, enforcing MTR By-laws and to assist in the management of passenger flow in stations more effectively, the MTRCL set up the By-laws Inspection Unit (BIU) in April 2009, which consists of 29 staff with experience in disciplinary services and 74 contract security staff. The BIU works hand-in-hand with station staff, the Ticket Inspection Unit and the Railway District Police to maintain order in stations.

Meanwhile, the MTRCL reminds passengers to be considerate and not to cause any inconvenience to other passengers through regular passenger education and promotional activities such as conducting courtesy and safety campaigns, as well as through the media, in-train public announcements, passenger publications and promotional leaflets.

Annex

Number of Prosecutions against Passengers Demonstrating Inappropriate Behaviour⁽¹⁾ according to the Mass Transit Railway By-laws from 2009 to 2011

<i>Passenger behaviour</i>	2009	2010	2011
Depositing or throwing of rubbish	0	1	0
Non-compliance with notices and reasonable directions ⁽²⁾	459	348	356
Smoking	23	29	42
Constituting a fire hazard	0	0	1
Spitting and litter	14	18	14
Causing a nuisance to other passengers	9	8	4
Playing radios, cassettes, and so on, and creating noise	1	0	0
Bringing prohibited items of luggage	6	26	26
Consumption of food or beverage	22	140	29
Bringing animals	0	1	0
Improper operation or interference of equipment	1	0	4
Using abusive language	259	218	235
Bringing dangerous goods	1	1	1
Total	795	790	712

Notes:

- (1) Do not include offences specified under the MTR By-laws that do not constitute nuisance to other passengers, for example, not paying fares.
- (2) The cases concerned mainly involve passengers creating obstructions to others by bringing large luggage items, handling goods or blocking passages in train compartments and on platforms along the East Rail Line.

Fire Safety (Buildings) Ordinance

9. **MS STARRY LEE** (in Chinese): *President, I have received complaints from a number of owners of old buildings, indicating that the Fire Services Department (FSD) earlier served on the owners and occupants of their buildings fire safety directions (direction) under the Fire Safety (Buildings) Ordinance (Cap. 572) (the Ordinance) to require them to improve the fire service facilities in common areas by a specified date. The owners who complained to me said that they were willing to comply with the order, and had taken initiative to convene owners' meetings to persuade other owners to carry out the improvement works, and had obtained some price quotations of the works for follow-up, yet quite a number of owners of the buildings were rather unco-operative and they had never attended the relevant owners' meetings to discuss the matter. Since their buildings did not have any owners' corporations (OCs), the owners who were willing to pay for the improvement works could not force those who were unwilling to pay for the works, and as a result, the works could still not be commenced even after years of delay. It has been learnt that the FSD has currently decided that for cases in which the owners concerned have difficulty in complying with the directions and have been granted approval of extending the deadlines for compliance, no further extension will be granted, and the cases will be referred to the Court directly for prosecutions against all owners of the buildings. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of directions served by the FSD on buildings in various districts under the Ordinance in the past five years, broken down by District Council districts; the numbers of old buildings involved which are more than 30 years' old; the respective numbers of such directions which had fully been complied with, as well as those which had been issued for one year to less than two years, two years to less than three years, three years to less than four years, four years to less than five years, and five years or more but still had not been complied with; the number of prosecutions instituted by the authorities in the past five years; and the penalties generally imposed on the convicted persons;*
- (b) *given that some owners of old buildings have indicated that the authorities required them to install roof tanks, staircase hose reels, and provide enclosure of electrical wiring, and so on, which may not*

be suitable due to factors such as the structure and limited space of the staircases and rooftops, and so on, and they therefore wish to use other facilities as substitute, what assistance the authorities provide to those owners of old buildings receiving the directions;

- (c) whether it will consider following the practice of "removal first, cost recovery to follow" adopted by the Buildings Department (BD) in respect of unauthorized building works (UBWs), so that for the buildings where the owners have failed to reach a consensus to comply with the direction for years, the authorities can arrange staff to carry out the improvement work on the fire service facilities, and then recover from the respective households afterwards their share of the costs incurred; if it will, of the details; if not, the reasons for that; and*
- (d) with regard to the cases which failed to comply with the direction by the specified date, whether the Government will consider dealing with the co-operative and unco-operative owners separately and in phases, in that those unco-operative owners will be dealt with first, and then those owners who can produce proof (such as minutes of meeting, signed payment consent, and so on) to show that they have tried their best and have undertaken to pay for the improvement works in a later stage; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President, the Fire Safety (Buildings) Ordinance (Cap. 572) (the FS(B)O) came into effect on 1 July 2007. It aims to ensure that the fire safety of composite and domestic buildings completed on or before 1 March 1987 would be enhanced to better meet the requirements of today's society. There is a notable difference between the fire safety requirements of those buildings at the time of their construction and the modern standards. For instance, the commercial portions of composite buildings were not required by law at that time to install automatic sprinkler systems. Enhancements are therefore necessary.

Since the FS(B)O came into effect, the FSD and the BD have been conducting joint inspections on target buildings, and issuing Fire Safety

Directions (FS Directions) to owners and occupiers with regard to fire service installations as well as relevant fire safety constructions in those buildings with a view to enhancing basic fire protection measures. The BD is the enforcement department on the fire safety measures in terms of the planning, design and construction of buildings, whereas fire service installations or equipment fall under the purview of the FSD.

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

- (a) Since the implementation of the FS(B)O and up to the end of December 2011, the FSD has issued 61 469 FS Directions to owners and occupiers of 2 678 target buildings, of which 98% (or 2 624 buildings) are 30 years' old or more. The number of target buildings, with breakdown by districts, issued with FS Directions is at Annex 1.

The FSD normally gives an owner a year to comply with the FS Directions. If the owners/OC concerned need more time to prepare for and carry out the improvement works, the FSD would consider extending the compliance period basing on the justifications provided in the application and/or the scale of works involved. Of the 61 469 FS Directions issued, 14 231 have been complied with. A breakdown of outstanding FS Directions according to the date of issue is at Annex 2.

According to section 5(8) of the FS(B)O, a person who, without reasonable excuse, fails to comply with a FS Direction is guilty of an offence. The enforcement authorities may initiate prosecution. On conviction, the concerned person may be sentenced to a maximum fine of \$25,000 and to a further fine of \$2,500 for each day during the non-compliance period. As at the end of December 2011, the FSD has taken prosecution action in respect of eight cases against building/residential flat owners or occupiers who failed to comply with the FS Directions. Court hearings were completed and convicted persons/OCs were fined \$2,000 to \$8,200. In addition, the Court has issued Fire Safety Compliance Orders to some of the convicted persons/OCs, directing their full compliance with the requirements of FS Directions by the deadlines set in the Orders.

- (b) The enforcement authorities are aware that individual buildings might not be able to fully comply with the requirements due to structural or spatial constraints. In this connection, the authorities would, without compromising basic fire safety, adopt a flexible and pragmatic approach in handling individual cases. The officers concerned would deal with some of the requirements in a reasonable and flexible manner or consider accepting alternatives put forward by the owners in the light of the circumstances of individual cases and the information submitted by authorized persons. For example, if there are spatial constraints in the installation of a hose reel system or water tank, the FSD would consider allowing the installation of an improvised hose reel system⁽¹⁾, or converting the fresh or flushing water tank into the water tank for the hose reel system. According to the experience of the FSD, most of the structural and technical problems concerning the installation of fire services water tank can be resolved, such as by selecting a suitable location for installation (for example, on top of an existing water tank or the head of rooftop staircase) or slightly reducing water tank capacity.

The FSD and the BD are prepared to meet with the owners/OCs concerned or the authorized persons they have engaged and explain the requirements of fire safety improvement works in the FS Directions so as to assist them in resolving problems possibly encountered in the implementation. In case of special circumstances, the FSD would consider extending the compliance period basing on the justifications provided in the application and/or the scale of works involved.

The enforcement authorities would also assist owners in complying with the FS Directions in other respects. For example, enforcement departments would refer those buildings without OCs to the respective District Offices, which would assist them in establishing OCs so that the co-ordination of improvement works would be carried out more smoothly.

(1) An improvised hose reel system includes a hose reel water tank with less than 2 000 litre capacity, a hose reel drum installed at a higher position and a hose reel of reduced length.

Moreover, to assist owners of private buildings in conducting repair and maintenance, the Government, Hong Kong Housing Society and Urban Renewal Authority have been operating various financial assistance schemes for property owners in need, including the Comprehensive Building Safety Improvement Loan Scheme, Integrated Building Maintenance Assistance Scheme and Building Maintenance Grant Scheme for Elderly Owners. Fire safety construction works pertaining to the FS(B)O have been incorporated into the list of works eligible for subsidies or loans under these schemes.

- (c) In handling UBWs, the BD indicates that orders under section 24(1) of the Buildings Ordinance (BO) (Cap. 123) would be issued to require the owners to demolish or rectify the UBWs. Generally speaking, if the owners fail to comply with the orders by the specified dates and those UBWs are considered to be of obvious hazards, the BD would consider arranging for a government contractor to carry out the demolition work under section 24(3) of the BO. For UBWs which do not constitute obvious hazards, the BD would consider taking prosecution action under section 40(1BA) of the BO such that the owners would remove their UBWs on their own.

There is no provision in the FS(B)O empowering the enforcement authorities to carry out upgrading works on fire service installations and equipment, and to recover costs from the parties concerned upon completion of works. The requirement to carry out such works is to enhance the fire safety of target buildings to modern standards, but it does not mean that those buildings have imminent or obvious fire hazards. There is insufficient justification to adopt special arrangements similar to those of the BD on UBWs with obvious hazards. In fact, owners/occupiers of the buildings should deliberate on feasible proposals and work arrangements and reach consensus on implementing such fire safety works, for example, locations where the facilities would be installed. It is not appropriate for the enforcement authorities to make unilateral decisions for them.

- (d) As mentioned in part (b) above, the enforcement authorities would, without compromising basic fire safety, adopt a flexible and pragmatic approach in handling individual cases. They would deal with certain requirements and/or extend the deadlines for compliance of the FS Directions reasonably and flexibly. If an owner fails to comply with the FS Directions within a reasonable time or provide sufficient justifications, the enforcement authorities have the responsibility to take enforcement actions under the FS(B)O to ensure fire safety in old buildings. According to past experience, in the hearing of cases in relation to the FS(B)O, the Court would take into account follow-up actions taken by individual owners.

Annex 1

Number of target buildings issued with FS Directions
under the Fire Safety (Buildings) Ordinance
(by District Council district)

<i>District</i>	<i>Number of buildings issued with FS Directions</i>
Central and Western	246
Wan Chai	243
Eastern	200
Southern	34
Yau Tsim Mong	693
Sham Shui Po	438
Kowloon City	364
Wong Tai Sin	93
Kwun Tong	47
Tsuen Wan	78
Tuen Mun	6
Yuen Long	82
North	80
Tai Po	39
Sai Kung	1
Sha Tin	3
Islands	4
Kwai Tsing	27
Total	2 678

Number of Non-compliance cases of FS Directions
(By date of issue by the FSD)

<i>Date of issue of the FS Directions</i>	<i>Number of non-compliance cases</i>
Four to five years ago	4 551
Three to four years ago	8 728
Two to three years ago	10 123
One to two years ago	11 087
Within one year	12 749
Total	47 238

Development of Agriculture and Fisheries Industries

10. **DR LAM TAI-FAI** (in Chinese): *President, some members of the agriculture and fisheries industries (the industries) in Hong Kong have relayed to me that the operating environment of members of the industries continues to deteriorate but the Government has all along failed to provide sufficient support to them over the years, rendering it difficult for them to survive and sustain their development. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed the importance of the industries in terms of their impact on the economy, society and people's livelihood in Hong Kong; if it has, of the details; if not, the reasons for that;*
- (b) *of the respective local market share (in percentages) of the agriculture and fisheries production in Hong Kong at present, and how the current situation compares with that of a decade ago, as well as the reasons for the changes which had occurred;*
- (c) *how the current number and areas of fish breeding ground and farmland in Hong Kong compare with those of a decade ago, and the reasons for the changes which had occurred; whether it will consider relaxing the use of additional land and waters to provide more room for business and development of the industries; if it will, of the details; if not, the reasons for that;*

- (d) *whether it will step up efforts in assisting local vessels engaged in offshore fishing; if it will, of the details; if not, the reasons for that;*
- (e) *whether it will step up efforts in assisting local farmers in improving their production techniques and enhancing the quality of their agricultural products; if it will, of the details; if not, the reasons for that;*
- (f) *whether it has considered developing the local industries by integrating them with other industries, including the catering and tourism industries, so as to achieve synergy; if it has, of the details; if not, the reasons for that;*
- (g) *whether it will consider establishing a dedicated committee with joint participation of government officials and representatives of the industries to formulate policies on the development of the industries, with a view to assisting them in developing and establishing local quality brand names, as well as improving the quality and status of members of the industries; if it will, of the details; if not, the reasons for that;*
- (h) *whether it will conduct a review of the operation of the agriculture and fisheries related loan funds, including lowering the application threshold, reducing the requirement of secured properties as loan conditions and increasing the amounts of loans or subsidies, and so on, so as to facilitate financing of members of the industries; if it will, of the details; if not, the reasons for that; of the progress of the review of the Fisheries Development Loan Fund conducted by the authorities; when the "Sustainable Fisheries Funding Scheme" will be established as proposed by the Committee on Sustainable Fisheries;*
- (i) *whether it will conduct a review of the mechanism for granting ex gratia payments relating to members of the industries (including offering reasonable compensation for breeding ground or farms which are contaminated by works in the vicinity or affected by avian flu) so as to provide support for members of the industries to tide over the difficulties; if it will, of the details; if not, the reasons for that;*

- (j) *given that the Development Bureau is now conducting consultation on 25 potential sites suitable for reclamation, whether the authorities have enhanced communications with members of the fisheries industry in Hong Kong and explained the situation to them, as well as assessed the impact of reclamation on them; if they have, of the details, if not, the reasons for that;*
- (k) *whether it has put in place any new measure to assist members of the industries in restructuring by developing leisure agriculture and fishery trades and eco-tourism with Hong Kong characteristics, including setting up inter-departmental ad hoc groups to assist in solving problems of lack of co-ordination among government departments and providing training for members of the industries, with a view to providing ownership and re-employment opportunities for them; if it has, of the details; if not, the reasons for that;*
- (l) *of the new initiatives to help the industries establish sustainable and competitive local quality brand names to open up more local and overseas sales channels; and*
- (m) *whether it has put in place any policy or specific measure to ensure that a balance is struck between safeguarding the ecological environment for birds and maintaining sustainable development of the industries; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, in the process of urbanization, many countries have experienced the relocation of the industries away from densely populated urban areas. While Hong Kong, which is small in size and densely populated, is undergoing rapid urbanization, the Government still makes every effort to support these primary industries and endeavour to promote the development of local agriculture and fisheries. Thus Hong Kong, while being a world financial centre, can continue to leverage on its advantages of natural resources and quality brands to create agricultural and fisheries products with local characteristics. A revised provision of \$115 million in 2011-2012 has been dedicated to the development of the industries. The Agriculture, Fisheries and Conservation Department (AFCD) aims to assist the industries to move to high value-added operations by advancing the production techniques and technologies, raising the output and quality of products, as well as searching for marketable new species suitable for local production. The AFCD

also encourages the industries to grasp the opportunity of developing the local market to provide a stable supply of agricultural products for the local community. My reply to the various parts of the question is as follows:

- (a) Farming in Hong Kong is of relatively small scale, with leafy vegetables, pigs and poultry as the main produce, whereas the fisheries industry with its long history represents an important cultural heritage symbol of Hong Kong. The agricultural production (approximately \$0.74 billion, a 20% increase as compared to \$0.615 billion in 2010) and fisheries production (approximately \$2.513 billion, a 10% increase as compared to \$2.275 billion in 2010) in 2011 accounted for less than 1% of the Gross Domestic Product. Through intensive land use and production methods plus modern techniques, local industries provide Hong Kong with fresh, quality and safe food. Their efforts towards conservation and sustainable development have also achieved notable results.

From a social perspective, about 4 600 people in Hong Kong are involved in agriculture and about 11 000 directly engaged in fisheries. In addition, a considerable number of people are working in their ancillary sectors, such as wholesale and retail marketing, transportation, and logistics support for fishing vessels.

- (b) The output and market share of major local agricultural and fisheries products in 2001 and 2011 are set out as follows:

	2001			2011		
	<i>Output</i> (tonnes)	<i>Value per tonne</i> (dollars)	<i>Market share</i>	<i>Output</i> (tonnes)	<i>Value per tonne</i> (dollars)	<i>Market share</i>
Local live pigs	40 510*	13,210	24.5%	8 924*	25,460	7%
Local live chickens	14 400	15,610	24.4%	7 105	28,990	60%
Local vegetables	35 900	2,660	5.8%	16 300	5,090	2.3%
Local fisheries products (including live and frozen fisheries products)	179 000	10,660	25%	174 000	14,420	21%

Note:

* Net weight

Agriculture is shrinking in scale amid the ongoing economic and urban development of Hong Kong. On top of that, the decrease in the number of local live pig and poultry farms over the past decade is partly attributable to the Government's drive for public health and anti-pollution (for example, the introduction of the voluntary licence surrender scheme). With the appreciation of Renminbi in recent years, we have witnessed more local fishing vessels selling their catch directly on the Mainland, resulting in the declining market share of fisheries products for local consumption. This reduction in production, however, does not reflect a corresponding reduction in value as producers are channeling their efforts towards species of high quality and high value.

- (c) Farming in Hong Kong is undertaken mostly in urban fringes. About 1 350 hectares of land was farmed in 2001 for active agricultural production (including vegetables, flowers, field crops and fruit trees), as compared to about 730 hectares in 2011. The existing total area of local fish farms (including licensed areas of freshwater fish ponds and mariculture farms) shows a slight increase over 10 years ago, from about 1 090 hectares in 2001 to about 1 159 hectares in 2011.

Attaching great importance to development issues and environmental changes, the Government reviews in a timely manner the land uses in all districts. For the relaxation in the designation of sea area for mariculture, the AFCD will follow up with relevant bureaux/departments to review the existing moratorium on issue of new licence for mariculture operations.

- (d) Local fishermen, operating mainly in Hong Kong waters or the South China Sea, are seldom engaged in offshore fishing. Nevertheless, appropriate assistance (for example, technical support, training, and credit facilities) is available from the AFCD to interested fishermen.
- (e) The Government will continue to provide farmers with infrastructural and technical support to facilitate the development of agricultural production which is modern, high-yielding, safe and environmentally-friendly. An example is the ongoing identification

of new species with good marketability and suitable for local production, which should help meet market demand and increase the financial incomes of local farmers. Quality species developed in recent years include organic strawberry, small-fruited tomato/pumpkin, red flesh watermelon and green flesh rock melon. Vigorous efforts have also been made in promoting organic farming and sustainable pest and disease control, as well as resolving technical issues like horticulture and soil management and seed saving. With the AFCD's implementation of the Organic Farming Support Service Scheme, the total number of organic farms in the territory has reached 182, and 92 of them have been accredited by the Hong Kong Organic Resource Centre.

- (f) The popular pursuit for a green lifestyle in recent years has brought about new development opportunities for the local agricultural industry. Taking advantage of the rural landscape and ecology, many farms have developed into leisure farms where production, recreational and educational activities are all found. With the emergence of leisure farms, local agriculture has become an active player in healthy living, ecological education and environmental protection and is developing towards further diversification.

To enhance their competitiveness, fishermen are also exploring opportunities for development and transformation beyond the line of production. New business fields and modes are being opened up, and recreational fishing is one such example. In Hong Kong, there is a wide variety of recreational fishing activities, including leisure fishing, fishermen culture and marine eco-tourism. Quite a number of fishermen have switched to these operations.

Please also refer to my reply in part (k) for information about leisure farming and recreational fishing.

- (g) With a view to fostering the development of local agriculture and fisheries, the Advisory Committee on Agriculture and Fisheries has been set up under the AFCD to engage members of the industries and other sectors in formulating agricultural and fisheries policies and initiatives.

In late 2006, the Committee on Sustainable Fisheries was set up to study the long-term direction and goals for the development of the territory's fisheries industry as well as feasible strategies and options to promote its sustainability. It has submitted a report on issues relating to the sustainable development of fisheries and we are progressively taking forward the recommendations.

- (h) The AFCD's loan funds have played a crucial role in the development of agriculture and fisheries over the past decades by providing the necessary funding to advance the industries.

For agriculture, the Kadoorie Agricultural Aid Loan Fund, the J.E. Joseph Trust Fund and the Vegetable Marketing Organization Loan Fund offer loans to local farmers for the purposes of agricultural production and development. The loans issued in 2011 totaled \$6.7 million and provided effective support to our agricultural development. The present maximum amount of low-interest unsecured loans available to a farmer is \$130,000. We will review the loaning conditions from time to time in light of the views of the industry.

For the fisheries industry, on recommendation of the Committee on Sustainable Fisheries, a review of relevant fisheries loan funds is underway. The issues covered include the loan purposes, the collaterals, the loan amounts and the processing of applications, with a view to providing more appropriate financial support for the sustainable development of the fisheries industry. We will submit our proposals as soon as possible to the Panel on Food Safety and Environmental Hygiene and the Finance Committee of the Legislative Council for their consideration or approval.

- (i) Under the existing mechanism, farmers whose farms are affected by public works (for example, contamination or land acquisition) may request and negotiate for compensations direct with the works department concerned (for example, the Lands Department). As regards the compensation for birds slaughtered due to bird flu, the amount payable is provided for by section 6(4) of the Public Health (Animals and Birds) Ordinance (Cap. 139 of the Laws of Hong

Kong). Revision of the levels of compensation is subject to discussion and legislative amendment by the Legislative Council.

On ex gratia allowance to the fisheries industry, the Food and Health Bureau and the AFCD are reviewing the ex gratia allowances for mariculturists and capture fishermen. Members of the industry have been kept informed, and the review will soon be completed.

- (j) The Development Bureau is now conducting the public engagement on enhancing land supply strategy to seek the views of the public on reclamation on an appropriate scale outside Victoria Harbour and rock cavern development as well as to establish the site selection criteria. During the consultation process, there was feedback suggesting that the preliminary site selection criteria were quite abstract and that the Government could provide some examples on possible reclamation proposals for public discussions. After reviewing the coastlines over the territory and excluding those seriously constrained areas unsuitable for reclamation, the Development Bureau has come up with 25 possible reclamation sites to facilitate the community's discussion of the site selection criteria from social, economic and environmental perspectives in line with the principles of sustainable development. Members of the fisheries industry also attended the topical discussion and public forums held in January and February 2012, and expressed their views.

The Development Bureau has yet to decide whether to carry out reclamation outside Victoria Harbour and the criteria to be adopted in selecting reclamation sites. The possible types and locations of reclamation are also subject to change in light of public views. As a way forward, the Development Bureau will study the feedback from the community (including the fisheries industry) about reclamation, draw up the site selection criteria and identify feasible sites to be put forward for public consultation. Concerned districts and organizations will also be consulted.

- (k) Leisure farming, recreational fishing and eco-tourism are new businesses gathering momentum in Hong Kong in recent years.

Statistics show that there are currently over 100 leisure farms in the territory. These farms offer a variety of activities for visitors, such as picking of farmland produce, farmland for lease and farming experiences. To optimize the operation of local leisure farms, the AFCD organized a "Seminar on Leisure Farms" in 2010. Apart from farming techniques, topics such as marketing skills and farm management were also covered in the seminar to help farmers acquire various aspects of knowledge in leisure farming. The AFCD also promoted the interflow of ideas by inviting overseas academics and trade representatives in 2011 to share their successful experience with local farmers. The AFCD will continue to provide technical assistance to those who are interested in operating leisure farms.

To make it more convenient for the public to visit leisure farms and to enhance their understanding of and interest in leisure farming in Hong Kong, the AFCD has published "A Guide to Hong Kong Leisure Farms" for free distribution through schools, District Councils, libraries, and so on. An interactive webpage <http://fedvmcs.org/farm_index.php> which enables easy display and search of information on leisure farms has also been launched jointly by the AFCD and the Federation of Vegetable Marketing Co-operative Societies Ltd. The above Guide can also be downloaded from this website.

On the front of recreational fishing, the AFCD introduced a scheme in 2002 which allows fish farmers to operate leisure fishing business on their fish rafts provided that the mariculture environment and public safety are safeguarded. So far, 38 licensees in 11 fish culture zones have participated in the scheme. Moreover, the AFCD has been providing technical support and training to fishermen who are interested in switching to recreational fishing. Courses are provided on the operation of pleasure crafts and passenger carrying vessels as well as the operation of recreational fishing. Participants are introduced the concepts of eco-tourism, local resources of fisheries tourism, and the basic operation, practices and management of recreational fishing. About 80 fishermen have completed the training over the past two years.

In collaboration with local fishermen, the AFCD has also undertaken since 2010 a pilot scheme of fisheries eco-tourism in Sai Kung, northeast New Territories and southern Hong Kong Island to help fishermen venture into eco-tourism. Among those endeavours of larger scale are the Lamma Fisherfolk's Village and dolphin watching in Tai O. Many fishermen in Sai Kung are also switching their business to marine-based tourism activities, including pleasure boats hiring, recreational fishing on fish rafts, coral appreciation and eco-tourism. So far, over 200 fishermen have received training under the pilot scheme. The AFCD is now exploring collaboration opportunities with fishermen in other districts to extend the coverage of the scheme.

Fishermen may also apply to the Marine Fish Scholarship Fund or the Continuing Education Fund for subsidies to take relevant courses. We will review the terms of fisheries loans and explore other modes of financial assistance to help fishermen in their business transformation. The AFCD will continue to co-operate with the Tourism Commission and other government departments in the planning of district-based tourism to help fishermen develop tourism projects featuring fisherfolk culture.

- (1) The AFCD provides proactive assistance to the local agricultural and fisheries industries to promote their products and build up quality brands. Such promotional efforts include weekend Farmers' Markets and large-scale carnivals, media advertisements, road shows, participation in local and overseas food expos, and food-tasting activities. The sixth FARMFEST held by the AFCD early this year featured over 100 local farmers and fishermen and attracted more than 200 000 visitors to the event.

Apart from publicity targeted at the general public, the AFCD has launched for farmers the Accredited Farm Scheme. Vegetables from participating farms have to pass quality assurance tests on pesticide residues to ensure compliance with food safety standards, thus fostering consumers' confidence. To date, a total of 259 local farms have been accredited by the scheme.

For the fisheries industry, the AFCD has introduced a voluntary Accredited Fish Farm Scheme to enhance the competitiveness of the local aquaculture industry. Participating fish farms are required to implement a set of Good Aquaculture Practices, and the cultured fish have to pass quality assurance tests before sale to ensure compliance with food safety standards. To date, a total of 105 fish farms, representing 21% of the total area of local fish farms, have been accredited by the scheme. Quality local aquaculture products may also be expected to enter the Mainland as the Fish Marketing Organization is working on the venture through the Mainland/Hong Kong Closer Economic Partnership Arrangement.

- (m) The AFCD maintains close liaison with farmers and fishermen to provide technical support (for example, talks and individual consultation) and jointly explore and implement various effective measures to prevent birds from foraging for or damaging crops and fish stock. Examples are the installation of cost-effective and simple bird-proofing nets above the crops, and putting up strings and buntings above fish ponds. These measures work well in preventing bird nuisances without endangering the birds.

In addition, the AFCD provides support to nature conservation management agreement projects undertaken by non-governmental organizations with local farmers or fishermen. In Long Valley, for instance, as a result of such collaboration among the Conservancy Association, the Hong Kong Bird Watching Society and local farmers and landowners, farming activities are able to continue while the nature conservation value of the place is enhanced. Separately, the Hong Kong Bird Watching Society is working with fish farmers to restore and enhance the ecological value of the commercial fish ponds in the northwest New Territories.

The AFCD will continue to utilize its expertise and resources to provide assistance to farmers and fishermen in order to safeguard the supply of agricultural and fisheries products while promoting the ecological well-being of Hong Kong.

Compensation Arising from Flight Delays

11. **MR PAUL TSE** (in Chinese): *President, it has been reported that a celebrity in the catering industry who took a flight of a local airline to London claimed compensation from the airline for a nine-hour flight delay, and he brought along journalists to cover the process of making the claim at the scene. Consequently, the celebrity and his five companions were indemnified for their loss according to the amounts shown on receipts, and each person was also compensated \$40,000 in cash and a one-night hotel stay, and the celebrity was even offered an upgrade of his seat to business class. In this connection, will the Government inform this Council:*

- (a) *given that quite a number of members of the public complained to my office in the past that there was no government department responsible for co-ordinating and handling complaints and disputes arising from flight delays, in particular when passengers were forced to take later flights due to the overbooking policy of airlines, and that the recent spate of flight delays have resulted in passengers refusing to board or get off planes, or caused confusions at the airport, and seriously affected public order at the airport and its image, through which channel passengers can lodge complaints to the Government in case of flight delays at present; whether there is currently any Policy Bureau or government department responsible for co-ordinating and handling complaints or disputes arising from flight delays, and whether there is any official who will handle such complaints or disputes during non-office hours; if not, whether it will immediately conduct a review and formulate counter-measures;*
- (b) *whether it knows the policies to deal with flight delays adopted by the governments of the five countries with the highest number of flights among various countries in Europe, the United States and Asia; whether any department is designated to be responsible for that; whether the SAR Government will make reference to the practices of such countries, and extend or improve the current approach of handling in order to reduce the number of disputes between airlines and passengers, with a view to safeguarding the reputation of the tourism industry of Hong Kong; if it will, of the plan; if not, the reasons for that;*

- (c) *of the number of complaints received by the Government in each of the past three years involving flight delays; whether and how it will handle the complaints received; whether it has established the handling procedures; of the approximate time required to deal with each complaint; whether it knows the compensation criteria adopted by the airlines, as well as the highest amount of compensation in the past three years; and*
- (d) *given that after the aforesaid incident had been reported by the media, a member of the public who was a frequent patron of that airline for many years indicated that in a number of flight-delay incidents in the past, he was offered only an upgrade of his seat or a one-night hotel stay, and he doubted that it was under the pressure of "the hegemony of celebrity" (that is, the effect created by the celebrity and the journalists together) that the airline paid high compensation in order to settle the matter to avoid trouble, resulting in a huge difference between the above incident and other similar cases in terms of the compensation amount, whether the Government had received complaints regarding the huge difference between the above incident and other similar cases in terms of the compensation amount, as well as other complaints about huge differences in compensation amounts for flight delays in the past three years; if it had, whether it has followed up the reasons for such huge differences in compensation amounts involved in such complaints; if it has, of the details; if not, whether it can take the initiative to make enquiries with the airlines concerned?*

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

- (a) There are various factors causing flight delays, including inclement weather, technical difficulties and other emergency incidents, and so on. In case of flight delays, the concerned airline will make appropriate contingency arrangements in accordance with the company policy and procedures, including rescheduling flights to expedite the clearance of stranded passengers in order to minimize the inconvenience caused to passengers as far as possible. In addition, when there is flight delay, the Airport Authority (AA) will

make necessary arrangements and provide assistance such as providing affected passengers at the Hong Kong International Airport with necessities like blankets, bottled water and snacks. Besides, the AA will provide information to passengers, for instance, contact details of the airlines, embassies and the Immigration Department, and so on, in order to assist the passengers in need.

As matters relating to the complaints and compensation arising from flight delays are contractual issues between the airlines and the passengers, they should be resolved between the two parties through negotiation.

- (b) We at present do not have information on the dispute handling arrangements of other countries in case of flight delays. As stated in part (a) above, the arrangements in case of flight delays are contractual issues between the airlines and the passengers which should in general be settled by the two parties through negotiation.
- (c) The number of complaints relating to flight delay received by the Civil Aviation Department (CAD) during the period from 2009 to 2011 is set out below:

<i>2009</i>	<i>2010</i>	<i>2011</i>
1	3	0

Upon receipt of the complaints, the CAD will refer them to the airlines concerned for follow-up in accordance with their established procedures. Compensation criteria and the related arrangements are to be determined in accordance with the policy of individual airlines. The Administration does not have information on the compensation criteria adopted by the airlines or the highest amount of compensation paid.

- (d) The CAD has not received similar complaints over the past three years. In general, airlines will make decision on compensation and other compensatory arrangements based on their commercial considerations and established procedures. It is understood that the Cathay Pacific Airways has internal guidelines to deal with the

situation when there are disruptions to flight schedules, so as to minimize the inconvenience caused to the passengers. In general, the airline will make necessary arrangements according to the circumstances of each case, such as the duration and the cause of delay. Besides, airlines will also consider the specific conditions and needs of the individual passengers in considering the follow-up work, including the provision of hotel accommodation, arranging rerouting by other carriers, and, in special circumstances, the provision of contingency cash allowances for the passengers.

The matter mentioned in the question is the arrangement between the airline and individual passengers, and it is not appropriate for the Administration to follow up on the details.

Provision of Public Transport Fare Concessions to Elderly and Persons with Disabilities

12. **MR FREDERICK FUNG** (in Chinese): *President, in his 2011-2012 Policy Address, the Chief Executive proposed public transport fare concessions (fare concessions) for the elderly and eligible persons with disabilities to travel by Mass Transit Railway (MTR) trains, franchised buses and ferries at a concessionary fare of \$2 per trip. At the Question and Answer Session of this Council held last month, the Chief Executive indicated that he would seek to implement the fare concessions scheme for the elderly before the change of the Government. In this connection, will the Government inform this Council:*

- (a) *of the details of the necessary procedures and preparatory work, and so on, from putting forward to implementing the fare concessions proposal; of the latest progress, including discussions with the public transport operators (operators) and difficulties encountered in tackling technical problems and problems in administrative procedures, and so on, (for example, sharing of administrative costs, and so on); whether the authorities have requested the operators to shoulder their social responsibilities and bear more of the additional expenditures arising from the proposal; and*

- (b) *given that after the announcement of the fare concessions proposal, different views (including lowering the minimum age limit for elderly recipients and extending the concessions to all public transport to encourage the elderly and persons with disabilities to go out for activities) have been expressed in the community, whether the authorities have assessed the feasibility of these views; if they have not, of the reasons; whether they have specifically contacted other operators (for example, green minibus operators, and so on); whether the authorities have planned to extend the concessions to cover the entire public transport system at the next stage?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, in his Policy Address last year, the Chief Executive proposed a public transport concessions scheme for the elderly and persons with disabilities (the Scheme) to enable all elderly people aged 65 or above and eligible persons with disabilities to travel on the general MTR lines, franchised buses and ferries anytime at a concessionary fare of \$2 a trip. The Scheme aims to encourage the elderly and eligible persons with disabilities to participate in more community activities, thereby enriching social capital and developing a spirit of care and inclusiveness. The basic principle of the Scheme is that on the premise of maintaining existing fare concessions by the operators concerned, the Government will provide additional resources for offering a concessionary fare of \$2 per trip. The Administration would reimburse the operators the revenue forgone arising from the implementation of Scheme.

My reply to Mr Frederick FUNG's question is as follows:

- (a) Apart from negotiating with the MTR Corporation Limited, five franchised bus companies and numerous ferry service operators (the operators) on the detailed implementation and financial arrangement of the Scheme, we need the full support of the operators and the Octopus Cards Limited (OCL) in respect of hardware and software facilities. Considerable time will be required for modifying, upgrading and testing the Octopus system of the respective public transport operator with a view to ensuring stability, reliability and accuracy. Moreover, the Government needs to make amendments to the Disability Discrimination Ordinance (DDO), and seek the

Legislative Council Finance Committee's funding approval, and so on. Since the Scheme involves a significant amount of public resources and is of a recurrent nature, we must ensure the reliability of the operating mechanism and every detail of the Scheme.

The Labour and Welfare Bureau, Transport and Housing Bureau as well as Transport Department have been pressing ahead with full steam various preparatory work. The negotiation with the operators and the OCL is in full swing. We have also started the preparatory work for amending the DDO. Our aim is to finalize all detailed arrangements in the first half of this year and launch the Scheme as soon as possible in the second half of the year, upon completion of the upgrading and testing of the systems of the operators.

- (b) MTR and the majority of franchised bus companies are currently offering elderly concessionary fare of \$2 on designated days for elderly people aged 65 or above. On this basis, the Government proposes to extend the elderly concessionary fare of \$2 to other days. We have no plan to extend the Scheme to other age groups.

Much complicated and time-consuming preparatory work has to be done before the Scheme can be launched with MTR, franchised buses and ferries. To enable the elderly and eligible persons with disabilities to enjoy the concessionary fares as soon as possible, we will launch the Scheme first on the three major modes of public transport, *viz* MTR, franchised buses and ferries. Following the full implementation of the Scheme for a period of time, we will review the feasibility of extending its scope. In fact, MTR, franchised buses and ferries account for about 70% of our average daily public transport patronage.

Regulation of Private Columbarium Facilities

13. **MISS TANYA CHAN** (in Chinese): *President, recently, some members of the public have reflected to me that some of the private columbaria (columbaria) in Part B (hereinafter referred "List B") (that is, those columbaria that do not fall under Part A which sets out the columbaria that are "compliant with the user*

restrictions in the land leases and the statutory town planning requirements and are not illegally occupying government land") in the Information on Private Columbaria (the Information) published by the Government have withdrawn their applications to the Town Planning Board for revising the planning permissions for land. It is understood that these columbaria continue to operate and are still selling niches to members of the public, which means that these columbaria are operating in breach of the planning permissions granted to them; however, up until now, the Government has not put in place any licensing scheme to regulate the columbaria. It has been learnt that the Lands Department (LandsD) has detected a case of occupation of Government land by a columbarium in Tuen Mun, and has also rejected an application from a columbarium in Ma Shi Chau of Tai Po for revising its land lease conditions. In this connection, will the Government inform this Council:

- (a) of the number of niches currently provided by the columbaria in List B, as well as their prices; whether the authorities will consider immediately collecting the relevant data if they do not have such data in hand; if they will, of the details; if not, the reasons for that;*
- (b) of the number of complaints received by the authorities in the past three years about columbaria being suspected of breaching the user restrictions in land leases or planning permissions; among these columbaria, the number of those which are confirmed by the authorities to have breached the user restrictions in land leases or planning permissions, and whether all such columbaria have been included in List B; if not, the number of those columbaria which have not been included in List B and the reasons for their exclusion from List B;*
- (c) whether the authorities will take law-enforcement and regulatory actions under the Town Planning Ordinance (Cap. 131) against the columbaria which have withdrawn their applications for revising planning permissions; if they will, of the details; if not, the reasons for that;*
- (d) whether the LandsD will take law-enforcement and regulatory actions against the columbaria which have occupied Government land or breached land lease conditions; if it will, how it will deal*

with the columbaria which have breached land lease conditions but are still operating; how the authorities will reduce the impact of their enforcement and regulatory actions on the ashes of the deceased which are placed in the niches of non-compliant columbaria;

- (e) given that at present, quite a number of non-compliant columbaria are still selling niches to members of the public, whether the authorities will strengthen public education, so as to enhance their understanding of the regulatory policy on columbaria, and advise members of the public to refrain from buying niches from non-compliant columbaria; if they will, of the details; if not, the reasons for that; and*
- (f) given that at present, quite a number of columbaria that have been included in List B are still conducting publicity and promotion through various channels, and that quite a number of members of the public are attracted by such promotion efforts to buy niches from these columbaria, whether the authorities will consider restricting the conduct of promotion activities in any form by the columbaria in List B; if they will, of the details; if they will not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, there is general public support for a licensing scheme to enhance the regulation of columbaria. For this purpose, the Government has worked out the regulatory framework and is now conducting a public consultation on the proposed licensing scheme for columbaria. The consultation lasts for about three and a half months till 30 March 2012.

In order to provide information on columbaria made known to the relevant government departments to the public in a more systematic manner and help the public make informed choices when purchasing niches before the introduction of the licensing scheme, the Development Bureau published in December 2010 relevant land/lease (user restrictions) and town planning information on the columbaria made known to the LandsD and/or Planning Department (PlanD), and which the departments had reason to believe are operating as columbaria. The

information has been uploaded to the website of the Development Bureau and will be updated quarterly, with the latest edition published on 30 December 2011. In addition, we have strengthened consumer education, through channels such as Announcements in the Public Interest (APIs), on the risks of choosing niches from columbaria.

The relevant government departments will continue to handle the matters, enquiries and complaints relating to columbaria and take enforcement action against columbaria found in breach of the relevant legislation and Government requirements, in accordance with their respective mandate and relevant legislation and administrative measures. My reply to the six parts of the question is as follows:

- (a) The Information published by the Government mainly covers planning and land information derived from the past applications for planning permission or complaint cases. It does not include information on the prices of niches. Planning permissions given in the early years normally did not include information on the number of niches. The supply and prices of columbarium niches depend on their market demand and supply, their location and after-sales services. Currently, there are established channels and procedures for columbaria to apply to the departments or organizations concerned for regularization of their operation (for example, applying for the relevant planning permission and/or lease modification, and so on). If the columbaria have submitted planning applications or obtained planning permission, the status of application or the number of niches under application or already approved (if any) will be included in the Information. Depending on the circumstances of each case, the number of niches that may be provided under the land leases will also be included.

Among the private columbaria in Part B of the Information, 21 are applying to the LandsD for regularization of existing columbarium use and/or the Town Planning Board for planning permission. The Government calls on the remaining Part B columbarium operators to submit their applications for regularization as soon as possible.

- (b) In the past three years (that is, 2009 to 2011), the PlanD received 177 complaints against columbaria, involving 40 cases. Among them, 26 cases were found to be in breach of the Town Planning Ordinance (Cap. 131). Twenty-three of these breach cases are now included in Part B of the Information published by the Development Bureau. Regarding the three breach cases that have not been included in Part B of the Information, two have ceased operation whereas for the remaining one, the person in charge of the monastery concerned argues that columbarium niches are provided only for private use and not for public sale. The LandsD also received 592 complaints against columbaria, involving 97 cases. Among them, 43 cases found to have breached the land leases or/and have illegally occupied Government land have been included in Part B of the Information published by the Development Bureau.

For suspected cases made known to the departments but where there is no clear and substantive evidence to prove that the premises in question have actually been operated as columbaria, they have not yet been included in the Information. The complaints received by the PlanD and the LandsD as well as cases found to have breached the Town Planning Ordinance, land leases or/and have illegally occupied Government land may include overlapping cases.

- (c) The PlanD points out that under the Town Planning Ordinance, the Planning Authority may only take enforcement action against unauthorized developments in the Development Permission Areas (DPAs) (that is, rural New Territories). The PlanD investigates each suspected unauthorized columbarium case within DPAs under the Ordinance. If there is sufficient evidence, the Planning Authority will serve Enforcement Notice on the concerned party requiring discontinuance of the unauthorized development. Non-compliance with the Notice is subject to prosecution.
- (d) The LandsD points out that Hong Kong has a total land area of about 110 441 hectares. Given that the areas and uses of the land are extensive, it is not possible for the LandsD and the District Land Offices (DLOs) concerned to conduct regular inspection of all land. However, upon receipt of a complaint or referral in respect of land

use, the DLOs concerned will deploy their staff to carry out on-site inspections. Legal advice will be sought in light of the actual circumstances and follow-up action taken at different stages as appropriate.

If the DLO concerned finds that illegal occupation of unleased land (hereinafter referred as "Government land") for columbarium use could be substantiated, it will post a notice under section 6(1) of the Land (Miscellaneous Provisions) Ordinance (Cap. 28), requiring the illegal occupation of the land to cease within a specified period. If the occupant fails to cease illegal occupation of the land within the specified period or fails to apply or is unsuccessful in applying for regularization of the use of the land being illegally occupied, the DLO concerned will consider taking further action after seeking legal advice and prosecution is not precluded. If a landowner operates a columbarium on leased land (hereinafter referred as "private land"), constituting a contravention of the lease conditions, the DLO concerned will take lease enforcement action such as issuance of warning letters, and eventual re-entering the concerned lot is not precluded. In taking the land control action on Government land or lease enforcement action on private land, the DLO concerned will normally consider the actual circumstances of the land involved, such as whether there is storage of cremains and the quantity, and so on. If there is storage of cremains, the occupant/owner of the land in question will be given a specified period of time to make arrangements for relocation of the cremains and related matters.

During the consultation, some views we received suggested that the Government should provide assistance to consumers who had suffered losses from purchasing niches of unauthorized columbaria. However, some views expressed concern that such practice might in a way encourage the development of unauthorized columbaria since relevant operators might not be held responsible for their misconduct. In the event that displacement of cremains happens as a result of enforcement actions against a columbarium, it would be the responsibility of the operator of the columbarium concerned to liaise with the descendents concerned on the proper handling of

interred cremains, including exerting all reasonable effort to get in touch with the descendents, and sustaining such effort over a period of time while keeping the interred cremains intact. Currently, members of the public can pursue their claims under the general consumer protection regime or through private law remedies (such as the law of contract) if they consider that providers of columbarium niches are in breach of the sale and purchase contracts. The Commerce and Economic Development Bureau is currently drafting a Bill to introduce offences against commonly seen unfair trade practices, including the practices of false or misleading representation and inability to supply the products contracted for at the time of accepting advanced payment. Under exceptional circumstances, the relevant authority may remove the cremains and deposit them at a public facility as a transitional measure.

(e) and (f)

Apart from the Information and APIs, we have also worked with the Consumer Council on other public education fronts. In April 2010, the Consumer Council published a topic report on columbaria in its monthly magazine *CHOICE*, covering a detailed guide to the two-step checkout⁽¹⁾ for consumers' reference. In January 2011, the Consumer Council further published in *CHOICE* useful tips for purchasing columbarium niches. Through the publication of the Information, members of the public are made aware that the columbaria in Part A are compliant with the user restrictions in the land leases and town planning requirements and are not illegally occupying Government land, while the columbaria in Part B have yet to comply with the relevant requirements for inclusion in Part A. This helps the public make informed choices when purchasing niches.

- (1) First and foremost, consumers should check if the operation of the columbarium concerned is in compliance with the relevant requirements on planning, building design and building standards. Under the existing Town Planning Ordinance, a columbarium must conform to the requirements of the land use zoning as specified in the statutory Outline Zoning Plan for the site concerned. Secondly, the owners of the land on which the columbarium is situated are required to ensure that the use of the land for that purpose is in compliance with all the land lease conditions. Consumers can obtain information on the permitted uses specified in the land lease by conducting a land search at the Land Registry. Consumers may also seek professional advice where necessary.

Offensive Comments on Hong Kong People Made by a Mainland Academic

14. **MR PAUL TSE** (in Chinese): *President, it has been reported that on a Mainland webcast television programme on 19 January this year, a Peking University professor, when commenting on an incident involving a Mainland child eating in an MTR train compartment, pointed out that "the people of Hong Kong are dogs", and he even insulted the people of Hong Kong using harsh words such as "the use of the rule of law to maintain order in a place is proof that the people there have neither quality nor self-consciousness put in a single word: cheap", and the incident sparked strong reaction from people of both the Mainland and Hong Kong, as well as extensive coverage by overseas media including the Japanese media, and so on. The report has also pointed out that in addition to the aforesaid incident, the worsening problem of pregnant Mainland women whose spouses are not Hong Kong residents giving birth in Hong Kong in recent years, the "D&G photo ban incident" as well as incidents of famous brand stores in Hong Kong being alleged of favouring Mainland visitors and neglecting Hong Kong people, and some even being alleged of discriminating against Hong Kong people, and so on, resulted in deepening conflicts between the people of the Mainland and Hong Kong. In this connection, will the Government inform this Council:*

- (a) *whether the Government has made enquiries with the Peking University or the professor himself about the reasons for making the aforesaid remarks; whether it has assessed if such remarks create split between the people of the Mainland and Hong Kong as well as cause the negative effect of provoking anxiety, hatred and even conflicts; if it has, of the outcome; if not, whether an assessment can be conducted as soon as possible;*
- (b) *whether it has studied enhancing the prevention of malicious and defamatory words or deeds against a specific ethnic group through enforcing or amending the existing Race Discrimination Ordinance (RDO)(Cap. 602), in order to maintain social and ethnic harmony; and*
- (c) *whether it will take the initiative to contact the relevant Mainland departments and Peking University, and request them to follow up the remarks of the aforesaid professor as well as the responsibilities*

and consequences which he should bear, in order to allay the discontent of Hong Kong people and the concerns of the foreign media?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President,

(a) and (c)

We noticed that the comments made by a Peking University professor on a Mainland webcast television programme had aroused extensive responses in the Hong Kong community. The Hong Kong Special Administrative Region Government (HKSAR Government) respects and safeguards the freedom of speech and academic freedom. However, we consider that the relevant comments have gone beyond academic deliberations and there were abusive words and expressions. We certainly cannot endorse or accept the outrageous comments made by that professor. We deeply regret that the incident has aroused unpleasant feelings among Hong Kong residents. As the relevant comments were made by a Mainland university professor in his personal capacity, it is not appropriate for the HKSAR Government to contact the professor direct or approach the Peking University or relevant Mainland authorities to request follow-up action.

(b) The RDO protects the rights of individuals against discrimination, harassment and vilification on the ground of race. The definition of race under the RDO is in line with the definition in the International Convention on the Elimination of All Forms of Racial Discrimination (that is, race, colour, descent, or national or ethnic origin). The RDO has been operating smoothly since it came into operation in July 2009. The incident mentioned in the question does not involve racial matters. Hong Kong is a multi-cultural international city and a harmonious community with heterogeneous diversity. Local residents and incoming visitors may have diverse cultural background, ways of living and social systems. It is our common hope that all people can live together in harmony, with

diversity and inclusiveness under the common values of mutual understanding and respect.

Sewage and Stormwater Drainage Systems in Hong Kong

15. **MR FREDERICK FUNG** (in Chinese): *President, at present, the Drainage Services Department is responsible for the sewage and stormwater treatment and drainage systems in Hong Kong. The stormwater drainage system is mainly used for flood prevention and for coping with floods caused by heavy rainstorms, and stormwater is basically untreated before it is discharged into the sea directly. In this connection, will the Government inform this Council:*

- (a) *of the number and contents of the complaints received by the authorities in the past three years about the hygiene problems brought by the outfalls and gullies of the stormwater collection system, as well as the solutions provided by the authorities; whether the authorities have conducted any study or used any new technology to improve the relevant hygienic conditions;*
- (b) *given that it is possible that the sewage produced in our daily lives may be discharged into the stormwater collection system directly (for example, the sewage produced from street cleaning, especially during the dry seasons when there is not enough rainwater to dilute the sewage before it is discharged into the sea directly), thereby polluting the coastal water in the vicinity of outfalls and giving out foul odour, whether the authorities have, in the past, conducted water quality tests on the sewage discharged through the stormwater collection system or the coastal water in the vicinity of the outfalls at different times in each year; if they have, of the test results in the past three years (including the impacts of seasonal factors, and so on); if not, the reasons for that;*
- (c) *whether the authorities have examined or considered applying the technologies (including connecting all or some of the stormwater drains to the sewage drainage system and putting in place a switching system that allows the connection of stormwater drains to*

the sewage drainage system) used in the stormwater collection systems in other places, so as to reduce water pollution caused by the direct discharge of stormwater; if not, of the reasons for that; and

- (d) *whether the authorities have, in the past, conducted any study on stormwater collection systems with a view to utilizing stormwater resources in a more effective way to reduce the consumption of potable water, for example, building large-scale or regional stormwater harvesting systems and secondary water supply systems (that is, systems other than the existing plumbing systems for fresh water supply at the taps) for the purpose of utilizing stormwater for various non-potable uses (for example, toilet flushing, landscape irrigation and cooling air-conditioning systems, and so on); if they have, of the findings?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, in Hong Kong, the sewerage system and the stormwater collection system operate independently to enable the separate treatment of sewage and rainwater. In general, stormwater is directly discharged into the sea. To prevent polluted water from entering the stormwater collection system due to various reasons thus polluting the environment, we have implemented a handful of measures to reduce the discharge of polluted water into the stormwater collection system, such as tackling the problem at source by rectifying misconnections to stormwater drains; installing dry weather flow interceptors at suitable locations; and regulating improper discharge of polluted water at roadside. Moreover, we would carry out regular cleansing work to remove sludge at the stormwater collection system so as to reduce nuisance to the public arising from the odour generated by the accumulated sludge.

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

- (a) From 2009 to 2011, the Highways Department and the Drainage Services Department received a total of 563 complaints about foul odour from drains and gullies of the stormwater collection system. However, we have no further breakdown of the complaints into different problems, such as hygiene problem. On receipt of a

complaint about foul odour, the departments concerned would immediately arrange for a contractor to carry out cleansing work. Generally, the main causes of foul odour are misconnection of sewers to the stormwater collection system and improper discharge of polluted water into stormwater drains. Apart from rectifying the misconnections to resolve the problem at source, enforcement departments concerned would also conduct regular inspections to deal with any illegal discharge of polluted water into roadside drains on the spot. Appropriate enforcement actions would also be considered when breaches of relevant legislations (such as the Water Pollution Control Ordinance) are found. On the technical front, the Highways Department would install gully traps at roadside gullies at black spots of foul odour to reduce odour releasing from the drains. In addition, a local university is conducting a study on reducing foul odour arising from sludge in box culverts. The study is expected to complete in 2013.

- (b) The Environmental Protection Department (EPD) has set up a total of 94 monitoring stations in Hong Kong waters, inner bays, typhoon shelters and anchorages to monitor marine water quality on a regular basis. The selection of sites for these stations and the monitoring methodologies are set in accordance with internationally recognized scientific practices of the relevant disciplines, including oceanography and statistics. As the collected water quality data are mainly used for studying the long-term trend of variations in marine water quality, the monitoring stations are generally located offshore instead of near-shore areas to avoid recording widely divergent data arising from abrupt pollutant sources near the shore. Otherwise, the data may lead to over- or under-estimation of the water quality of the receiving waters concerned. As such, the Marine Water Quality Monitoring Programme of the EPD would not conduct water quality tests at near-shore areas, particularly at stormwater outfalls or their nearby waters where there may be pollutant discharges.

Apart from the EPD's regular water quality monitoring as mentioned above, the Civil Engineering and Development Department (CEDD) has also conducted baseline water quality monitoring at the waterways adjacent to Kai Tak Development (including To Kwa

Wan Typhoon Shelter) since December 2009, in connection with the planning and design of the Kai Tak Development. The CEDD collects water samples every three months to analyse a number of physical, chemical and microbiological parameters, including dissolved oxygen and coliform count. The monitoring results are available for public viewing on the website of Kai Tak Development <<http://www.ktd.gov.hk>>.

Regarding the monitoring of inflow of polluted water into the stormwater collection system, we consider that regular inspections and immediate tackling of pollution at source are more effective in preventing the polluted water from entering stormwater drains.

- (c) As far as practicable, we would incorporate sewage collection installations, such as dry weather flow interceptors, into stormwater collection systems. These installations can intercept and divert polluted water flow to sewerage system for treatment during dry seasons.

Hong Kong is located in the subtropical region with high annual rainfall. Connecting all or some of the stormwater drains directly or via a switching system to the sewerage system would lead to huge volume of stormwater entering the sewerage system. Coping with the large amount of additional stormwater flow would require many-fold enlargement in the size of the existing sewer pipes and substantial expansion in the capacity of the sewage treatment works. As a matter of fact, most of our urban underground spaces are already congested with various kinds of pipes and ducts. It is not practical to lay larger sewers in these areas. Besides, it is not cost-effective to enlarge the sewers and expand the capacity of sewage treatment works to deal with the additional rainwater inflow.

- (d) We have been undertaking studies on the more effective use of rainwater resources and reduction of potable water for non-potable uses. At present, we have selected some parks and public housing development projects for trial schemes on harvesting rainwater via rainwater harvesting systems for toilet flushing and irrigation purposes. Findings from these schemes will serve as references for

setting the future standards of rainwater harvesting system. Besides, the Water Supplies Department has commissioned a consultancy study on the development of design guidelines and water quality standards for rainwater harvesting system. The study is scheduled to be completed in 2012.

Reduction of Primary and Secondary School Places

16. **MR ALBERT HO** (in Chinese): *President, over the years, the Education Bureau keeps on closing schools, and a number of schools ceased operation because of under-enrolment. However, it has been learnt that the birth rate this year will increase due to the Year of the Dragon effect. In this connection, will the Government inform this Council:*

- (a) *of the cumulative number of schools (including primary and secondary schools) which have been closed thus far due to the aforesaid reason, together with details about the usage of the premises and land of such schools; and*
- (b) *whether the Education Bureau will re-open closed schools in response to the increase in the number of school-age children a few years later as a result of the rising birth rate due to the Year of the Dragon effect, so as to cope with the future demand for school places; if it will not, of the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) Under the policy on "Consolidation of Under-utilized Primary Schools" (the Consolidation Policy), 86 public sector primary schools could not meet the minimum threshold number of Primary One (P1) students and have ceased operation from 2004-2005 to 2011-2012 school years. There is no consolidation policy for public sector secondary schools.

The Education Bureau has an established mechanism for handling the disposal of premises of primary schools that ceased operation

under the Consolidation Policy and premises of secondary schools that ceased operation for various reasons. Among the 86 primary schools premises and 15 premises of secondary schools that have become vacant during the above period, 36 of them have already been deployed/reallocated for further educational uses (of these 36 premises, 21 have been redeployed/reallocated for school use, three for decanting use and 12 for other educational uses with recent examples including onscreen marking centre of the Hong Kong Examinations and Assessment Authority, offices of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the Employees Retraining Board, vocational training centres, post-secondary education use, and so on). Another 16 premises have been provisionally earmarked for further educational uses.

The remaining 49 premises are considered not suitable for further educational uses given their limited size and remote locations. Therefore, they have already been or will be returned to the relevant government departments for disposal in accordance with the relevant lease conditions and established policy for other uses where appropriate.

- (b) As for the long-term planning for education services, the Education Bureau will make reference to the projections of school-age population which are compiled based on the population projections released by the Census and Statistics Department, actual numbers of students studying at various levels at present and the latest demographic changes (including the possible increase in birth rate in the Year of the Dragon) to estimate the future demand for school places and related resources. As regards P1 places, all along there may be changes in individual school nets under Primary One Admission System between years. The Education Bureau has an established mechanism to increase the supply of P1 places for individual school nets through introducing temporary measures, such as borrowing P1 places from neighbouring school nets or operating additional P1 classes in the school net concerned, to ensure that every eligible child would be allocated to a school in the vicinity of his living place as far as possible.

We will monitor the changes of the supply and demand for school places in different districts and take timely measures to meet the relevant demand. Under the established arrangement, if there is any vacant school premises that would be available for recycling and for application by school sponsoring bodies for school use, we will allocate the premises through the School Allocation Exercise after considering a basket of factors including the relevant lease conditions of the land where the premises is located, quality of school proposals and track records of the school sponsoring bodies, and so on.

Right of Abode in Hong Kong

17. **MS CYD HO** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the number of persons who resided in Hong Kong for more than seven years applying for right of abode in the Hong Kong SAR (ROA) since 1997; the respective numbers of persons whose applications were approved and rejected, together with a breakdown by year set out in table form;*
- (b) *of a breakdown of the number of applicants in part (a) whose ROA applications were approved by race, age when ROA was granted, sex, profession, income and total asset value (set out in table form); and*
- (c) *of a breakdown of the number of applicants in part (a) whose ROA applications were rejected by race, age when ROA application was rejected, sex, profession, income, total asset value and reason for ROA application being rejected (set out in table form)?*

SECRETARY FOR SECURITY (in Chinese): President, pursuant to paragraph 2 of Schedule 1 to the Immigration Ordinance, a permanent resident of the Hong Kong Special Administrative Region is:

- (a) a Chinese citizen born in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region;
- (b) a Chinese citizen who has ordinarily resided in Hong Kong for a continuous period of not less than 7 years before or after the establishment of the Hong Kong Special Administrative Region;
- (c) a person of Chinese nationality born outside Hong Kong before or after the establishment of the Hong Kong Special Administrative Region to a parent who, at the time of birth of that person, was a Chinese citizen falling within category (a) or (b);
- (d) a person not of Chinese nationality who has entered Hong Kong with a valid travel document, has ordinarily resided in Hong Kong for a continuous period of not less than 7 years and has taken Hong Kong as his place of permanent residence before or after the establishment of the Hong Kong Special Administrative Region;
- (e) a person under 21 years of age born in Hong Kong to a parent who is a permanent resident of the Hong Kong Special Administrative Region in category (d) before or after the establishment of the Hong Kong Special Administrative Region if at the time of his birth or at any later time before he attains 21 years of age, one of his parents has the right of abode in Hong Kong;
- (f) a person other than those residents in categories (a) to (e), who, before the establishment of the Hong Kong Special Administrative Region, had the right of abode in Hong Kong only.

Any person claiming to be a Hong Kong permanent resident under paragraph (b) or (d) above may submit, in accordance with established procedures, an application for verification of eligibility for permanent identity card to the Immigration Department (ImmD), if he meets the requirement of "having ordinarily resided in Hong Kong for a continuous period of not less than 7 years" under the law and other relevant provisions of the ordinance. The ImmD will process the applications in accordance with the law. Breakdown of the number of these applications received, approved and refused from July 1997 to December 2011 by year is tabulated below:

<i>Year</i>	<i>Applications Received</i>	<i>Applications Approved*</i>	<i>Applications Refused*</i>
1997 (July to December)	36 116	28 668	78
1998	54 264	40 811	403
1999	49 296	38 440	487
2000	49 964	45 224	487
2001	52 578	47 292	457
2002	62 009	57 977	617
2003	74 636	66 937	545
2004	65 333	59 662	684
2005	51 226	45 004	853
2006	49 142	44 221	923
2007	45 649	40 223	1 057
2008	42 317	40 214	1 132
2009	46 376	37 849	1 021
2010	53 575	50 175	1 115
2011	52 776	41 968	1 335

Note:

* Number of applications concluded in that year

Breakdown of the above figures by nationality is tabulated below:

<i>Year</i>	<i>Applications Received</i>		<i>Applications Approved*</i>		<i>Applications Refused*</i>	
	<i>Chinese nationality</i>	<i>Non Chinese nationality</i>	<i>Chinese nationality</i>	<i>Non Chinese nationality</i>	<i>Chinese nationality</i>	<i>Non Chinese nationality</i>
1997 (July to December)	17 136	18 980	12 989	15 679	45	33
1998	38 066	16 198	28 937	11 874	228	175
1999	38 973	10 323	31 020	7 420	373	114
2000	40 272	9 692	36 582	8 642	341	146
2001	42 261	10 317	38 244	9 048	328	129
2002	50 250	11 759	47 557	10 420	371	246
2003	60 624	14 012	55 729	11 208	316	229
2004	51 397	13 936	47 673	11 989	411	273
2005	38 333	12 893	33 305	11 699	490	363
2006	39 848	9 294	36 281	7 940	496	427
2007	36 508	9 141	33 056	7 167	507	550
2008	32 812	9 505	32 101	8 113	491	641

Year	Applications Received		Applications Approved*		Applications Refused*	
	Chinese nationality	Non Chinese nationality	Chinese nationality	Non Chinese nationality	Chinese nationality	Non Chinese nationality
2009	37 609	8 767	31 046	6 803	496	525
2010	45 250	8 325	43 494	6 681	526	589
2011	40 729	12 047	32 994	8 974	724	611

Note:

* Number of applications concluded in that year

The ImmD does not maintain statistical breakdown by reference to the other categories mentioned in the question.

Radiation Leak in Japan

18. **MR ANDREW LEUNG** (in Chinese): *President, it has been reported earlier that a country found that the level of radioactive contamination of automobiles made in Japan exceeded the normal standard and thus banned the import of such automobiles. Regarding the radioactive contamination of Japanese products, will the Government inform this Council:*

- (a) *apart from food products, whether the authorities have conducted regular sample tests since March last year on the level of radioactive contamination of products (including auto parts and components, electronic components, drugs, toys, cosmetic products, clothing, stationery items, daily necessities and medical equipment, and so on) made in Japan; if they have, of the number of sample tests conducted and the test results; if not, the reasons for that;*
- (b) *given that Japan announced in December last year the leakage of contaminated water with a high concentration of radioactive substances (the contaminated water), of the government departments in Hong Kong which are responsible for assisting those Hong Kong people who are worried about having come into contact with the contaminated water in Japan to conduct checks; and*
- (c) *given that a health desk was set up by the authorities at the Hong Kong International Airport for passengers arriving at Hong Kong*

from Japan for voluntary checking of their level of radioactive contamination, of the number of members of the public who were checked at the health desk, and whether the level of radioactive contamination of any of them exceeded the normal standard; whether the authorities have compiled statistics on the members of the public who went to public or private hospitals, clinics or laboratories on the own for treatment or checking upon suspension of the health desk service since May last year; if they have, of the statistics; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, radiological contamination in products can be surface contamination or contamination of raw materials. Surface contamination may be removed through suitable decontamination measures. Hence, unless a particular product comes from the vicinity of the source of a nuclear accident and is not properly decontaminated, the risk of persons being cross-contaminated from such a product is extremely remote. Contamination of raw materials may be avoided through testing and certification processes in industrial manufacturing. Both types of contamination can be detected using radiological monitoring equipment.

According to a joint news release of the International Civil Aviation Organization, the International Atomic Energy Agency, the International Maritime Organization, the World Health Organization, the World Meteorological Organization, the World Tourism Organization and the International Labour Organization dated 14 April 2011, screening of radiation for health and safety purposes is currently considered unnecessary at airports and seaports around the world.

As regards the ban of automobiles made in Japan by a certain country alleged in the preamble of the question, according to our research, there was a media article on 24 November 2011 which said that Mongolia would impose a ban on the import of cars from Japan which have not undergone radiological inspections. The same article quoted the Japanese Ministry of Foreign Affairs as to be checking on the situation with the Mongolian authorities.

My reply to the three parts of the question, with consolidated information from relevant Policy Bureaux and departments, are as follows:

- (a) Since the Fukushima nuclear accident in March 2011, the Customs and Excise Department (C&ED) has stepped up its efforts at the airport and seaports to monitor goods imported from Japan (including pharmaceutical products, cosmetics, personal care products, family products, other consumer products, and so on) for safety testing of radiation levels, in order to prevent radiologically contaminated goods from entering Hong Kong.

As at early February this year, the C&ED has checked over 613 000 air consignments and over 15 000 sea consignments from Japan. No samples were found to have been radiologically contaminated.

- (b) According to the radiation monitoring readings released by the Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT), the environmental radiation levels throughout Japan (except Fukushima Prefecture) have come down to levels comparable to that before the nuclear accident, and these levels are far below what would trigger tissue reactions. As regards Fukushima Prefecture, the 20-km radius around the Fukushima Daiichi Nuclear Power Plant and other areas with higher levels of radiation remain designated as an evacuation zone by the Japanese Government, where public access is restricted. In this connection, travellers visiting Japan need not worry about being exposed to radiation or radiological contamination at harmful levels.

As for radiological contamination in seawater, MEXT released radioactivity concentration readings at the offshore of Miyagi, Fukushima and Ibaraki Prefectures, located more than 30 km away from the Fukushima Daiichi Nuclear Power Plant. According to the data, there were minute amounts of radioactive caesium found in some of the samples, but its activity is far below the guideline levels for determination of the closure of bathing areas. On the other hand, Fukushima Prefecture is located 3 000 km away from Hong Kong, and the prevailing sea current near the prefecture predominantly drifts towards the northeast, hence the chances of Hong Kong waters being contaminated in this connection is minimal. Despite so, following the nuclear accident, the Hong Kong Observatory has stepped up its seawater radiation monitoring and collected seawater samples from Hong Kong waters with the

assistance of the Environmental Protection Department. The measurement results show that no artificial radionuclide is detected in any seawater samples collected within Hong Kong waters.

Given that the radiological impact on health is most significant at the source of the nuclear accident, Accident and Emergency (A&E) Departments of public hospitals in Hong Kong would determine whether further examination is necessary for a patient on the basis of his travel history to Fukushima Prefecture and his clinical presentation.

- (c) In order to assist travellers returning from Japan who were worried about their personal health, the Government set up a health desk at the Hong Kong International Airport from 16 March to 12 May 2011 which provided voluntary radiation checks for travellers in need. During the period, a total of 3 936 travellers received assistance. No cases of radiological contamination were found.

Since the Fukushima nuclear accident, A&E Departments of local public hospitals have not found any cases of radiological contamination, nor received any cases which meet the A&E triage guidelines devised in response to the Fukushima nuclear accident as mentioned above. We have not been informed of any cases from the private healthcare sector.

Trial Scheme on One-off Ad Hoc Quotas for Cross-boundary Private Cars

19. **MR JAMES TO** (in Chinese): *President, in view of increasingly frequent exchanges between Guangdong and Hong Kong in recent years, the Government has announced that it will launch the trial scheme on one-off ad hoc quotas for Guangdong/Hong Kong cross-boundary private cars (self-drive tour scheme) in March this year. In the first phase Hong Kong private cars will be permitted to enter Guangdong Province for self-drive tours on a trial basis, and in the second phase private cars from Guangdong Province will be permitted entry to Hong Kong. Regarding the co-operation between the governments of Hong Kong and Guangdong over the self-drive tour scheme and the possible problems that may*

result from the differences between the two places (such as traffic regulations, and so on), will the Government inform this Council:

- (a) of the eligibility criteria of the self-drive tour scheme and the respective numbers of one-off quotas for self-drive tours in the aforesaid two phases;*
- (b) when some Mainland drivers making self-drive tours breach the traffic regulations of Hong Kong, how the Government will ensure that it will not fail to impose punishment on them because they have left Hong Kong; whether the Government will consider establishing a mechanism to publish a list of repeated traffic offenders so that law enforcement officers at boundary control points may stop these repeated offenders from driving into or out of the territory;*
- (c) given the obvious differences in the control of pollutant discharge from vehicles between the Mainland and Hong Kong at present, how the Government will exercise control on in-coming vehicles which do not meet the emission standards for vehicles in Hong Kong;*
- (d) whether the Government has at present provided guidance and training for frontline law enforcement officers to cater for the implementation of the self-drive tour scheme;*
- (e) since it has been learnt that the measures for drivers and passengers of cross-boundary vehicles to cross the boundary without alighting from vehicles are implemented at Shenzhen Bay Port (SBP) at present and passengers will only be required to alight for inspection if those vehicles are found to be suspicious, whether the existing software and hardware facilities at SBP are sufficient to cater for people taking part in self-drive tours to cross the boundary through SBP; if so, of the details; if not, whether it has any plan to upgrade the facilities; if it has, of the timetable; and*
- (f) given that the original intent of the self-drive tour scheme is to promote exchanges between Guangdong and Hong Kong and facilitate members of the public to travel by self-driving, how the Government will prevent people from abusing the scheme, for*

example, using the vehicles under the self-drive tour scheme for conveying passengers and transporting goods for business purposes?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Governments of Guangdong and Hong Kong will launch the first phase of the ad hoc quota trial scheme for cross-boundary private cars (the Scheme) in March 2012, under which qualified owners of Hong Kong private cars with five seats or less are allowed to apply for such quotas to enter Guangdong for a short stay not longer than seven days. Arrangements for Guangdong private cars to enter Hong Kong fall under the second phase of the Scheme, of which there is no concrete timetable. Experts of the two Governments will further study and discuss cautiously the specific arrangements for the second phase of the Scheme when there is experience in smooth operation after implementing the first phase for a period of time.

Our respective answers to the six parts of the question are as follows:

- (a) At the initial period of the first phase of the Scheme, the number of quotas will be set at no more than 50 each day. The applicant must be the registered owner of a right-hand drive private car with five seats or less that is registered and licensed in Hong Kong. The vehicle owner can register in the name of an individual or a company. If the registered owner of the vehicle is a company, the company must be incorporated in Hong Kong and must authorize a director or staff member of the company to act as the applicant. The applicant must be a resident of Hong Kong holding a valid "Home Visit Permit", and should also be the designated driver. Applications will be assessed by the governments of Guangdong and Hong Kong separately. Those applications rejected by either side will not be approved. The successful applicant, before departing for the Mainland, must take out Mainland compulsory traffic accident liability insurance for motor vehicles and complete in Hong Kong other formalities as required by the Public Security Department of Guangdong Province and various relevant Mainland authorities. The relevant arrangements and implementation details for the second phase of the Scheme would require further

deliberation by the experts of Guangdong and Hong Kong authorities.

- (b) As replied in part (a), the relevant arrangements and implementation details for the second phase of the Scheme would require further deliberation by the experts of Guangdong and Hong Kong authorities. This notwithstanding, we can confirm that, all Mainland motorists and vehicles coming to Hong Kong under the Scheme must observe local laws and regulations. Offenders will be prosecuted in accordance with the law. Just as presently the cases of Mainland motorists breaking the traffic ordinances in Hong Kong, the police would, having regard to the offences committed, issue fixed penalty tickets or summons. In the case of serious offence, the police can also make arrest. Depending on the seriousness of the offence, the offenders may be intercepted at the control points and referred to the police for action. If necessary, the police will seek assistance from the Mainland public security authorities in the investigation according to the existing mechanism.
- (c) In determining the arrangements for the second phase of the Scheme, we will definitely have regard to the environment. Similar to what we have done in the first phase, while formulating the relevant arrangements, we will adhere to some important principles. These principles include: (a) to exercise with due care by first launching a trial to ascertain the effects; (b) to introduce the scheme under a highly regulated environment, with road safety and network capacity as the fundamental considerations and taking into account the impact on the environment; and (c) to start with a small number of quotas, which can be adjusted flexibly having regard to special circumstances. Full details are required in all the applications and they will be vetted carefully.

(d) and (e)

The Immigration Department, Customs and Excise Department, the police as well as the Department of Health have taken part actively in the discussion of and preparation for the implementation of the Scheme, and are fully geared up for receiving the first batch of

vehicles under the first phase of the Scheme at the SBP at end April. The specific arrangements and implementation details of the second phase still require further deliberations by experts of the two governments. As there are already Guangdong vehicles running on Hong Kong roads under the regular quota system, the relevant departments have considerable experience in handling these vehicles when discharging their duties. No major problems have been encountered. We will ensure the preparation work is done properly and that sufficient training and resources will be provided to the frontline law enforcement officers prior to introducing the second phase of the Scheme to facilitate their enforcement work.

With regard to the hardware facilities, only 50 quotas will be issued to Hong Kong private car owners per day under the first phase of the Scheme. Compared with the current average daily traffic flow of about 10 000 vehicle trips at the SBP, the impact should be minimal. Existing clearance facilities and manpower at the control point will be adequate to cope with the increase in vehicular flow. To ensure smooth operation of the control point, we will require the vehicles under the Scheme to use designated clearance kiosks.

- (f) We have considered with due care the arrangements of the Scheme in order to prevent abuse as far as possible. First of all, we would require that the applicant must be the owner of the private car concerned. It is also required that each owner can only apply for one quota at one time, and that a new reservation can only be made at least six weeks from the quota start date of the last quota approved, that is, a minimum of ten weeks between two quotas issued. Also, the applicant has to be on board the vehicle concerned at the time of exit and entry, and stay for not more than seven days.

The relevant Guangdong and Hong Kong enforcement departments will vigorously combat commercial uses of cross-boundary private cars, including those issued with ad hoc quotas, which is illegal. The police will monitor the situation closely and step up random checks on cross-boundary vehicles to deter such offences. If private cars issued with ad hoc quotas are found to have been used

for illegal purposes, prosecution will be initiated by the relevant enforcement authorities in accordance with the law. New ad hoc quota applications by the owners or drivers concerned will not be accepted once they are convicted or before the related legal proceedings are concluded.

The governments of Guangdong and Hong Kong will possess detailed information of the applicants, drivers and vehicles using ad hoc quotas. In case of non-compliance with the laws and regulations, the two governments can follow up with the persons involved in accordance with the law. Holders of ad hoc quota are only allowed to make one round trip to and from the Guangdong Province during the specified period and through the SBP. These requirements will facilitate follow-up and investigation of suspected cases by the law enforcement departments.

We are confident that we can effectively tackle the problem of potential abuse of the quotas.

Landslip Prevention and Mitigation Works

20. **MR ALAN LEONG** (in Chinese): *President, under the Landslip Preventive Measures Programme (LPMP), 3 100 government slopes have been stabilized, and safety-screening studies have been conducted on 3 300 private slopes, and under the Landslip Prevention and Mitigation Programme (LPMitP), 15 000 man-made slopes of moderate risk will be dealt with. In this connection, will the Government inform this Council:*

- (a) *of the number of footpaths at the top or bottom of the slopes which have been stabilized under LPMP; whether such works involved repairs of the footpaths connected to the slopes or provision of new footpaths; if so, of the number, together with a table listing the details of the works; if not, the reasons for that;*
- (b) *of the number of footpaths at the top or bottom of the slopes that have been stabilized or are being stabilized under LPMitP; whether such works involved repairs of footpaths connected to the slopes or*

provision of new footpaths; if so, of the number, together with a table listing the details of the works; if not, the reasons for that; and

- (c) *whether the authorities have assessed if it is the most cost-effective approach and convenient for pedestrians to carry out slope stabilization works under the two aforesaid programmes in tandem with the improvement works for the footpaths connected to the slopes; if they have assessed, of the results?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the 10-year Extended Landslip Preventive Measures Project (Extended LPMP), which dealt with all known high-risk man-made slopes affecting major roads and developments, was completed in 2010. To dovetail with the Extended LPMP, the Geotechnical Engineering Office of the Civil Engineering and Development Department is carrying out the LPMitP to deal with those potentially problematic man-made slopes of moderate risk and to carry out mitigation works for natural slopes. The slope stabilization works are prioritized according to the landslide risk of individual slopes. The slopes that are at higher risk would be selected for stabilization works first. As for the construction and repair of footpaths, concerned departments will carry out the works according to need and their renovation plans. It may not be necessary for the two types of works to be carried out at the same time.

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

- (a) and (b)

Of the 3 100 man-made slopes stabilized under the Extended LPMP and the 310 slopes that have been or are being stabilized under the LPMitP, about 1 550 are located on roadside. Most of them have footpaths at their top or bottom. Upon completion of the slope stabilization works, we would reinstate all sections of footpaths affected by such works. However, the primary objective of the two slope stabilization programme/project is to deal with risks of slopes and does not involve improvement works for footpaths connected to the slopes. In fact, it may not be necessary for all slopes to have connecting footpaths.

- (c) In general, it is the policy of the Government to integrate road widening works with stabilization works for adjacent slopes as far as possible, with a view to optimizing the use of resources and minimizing inconvenience caused to the public. However, for improvement works of roads adjacent to slopes (including provision of footpaths or improvement of existing facilities), we need to consider technical feasibility, slope safety, as well as other factors such as the environmental impact (for example, the number of trees to be felled), traffic impact and cost effectiveness. The various departments concerned (including Civil Engineering and Development Department, Highways Department, Transport Department, and so on) will conduct extensive reviews and appropriate consultation for each slope stabilization project before mapping out the designs and scope of the works.

MOTIONS

DEPUTY PRESIDENT (in Cantonese): Motions. Proposed resolution under the Public Finance Ordinance.

I now call upon the Secretary for Financial Services and the Treasury to speak and move the motion.

PROPOSED RESOLUTION UNDER THE PUBLIC FINANCE ORDINANCE

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, I move that the motion, as printed on the Agenda, be passed.

The purpose of this motion is to seek funds on account to enable the Government to carry on its services between the start of the financial year on 1 April 2012 and the time when the Appropriation Ordinance 2012 comes into operation. This is a long-established and essential procedure. The specific arrangements also follow those of recent years.

According to the Budget timetable this year, the Legislative Council will at its meeting on 28 March 2012 resume the Second Reading debate and then proceed to the Third Reading of the Appropriation Bill 2012. Taking into account the subsequent procedures required, including the publication in the Gazette, it is expected that the Appropriation Ordinance 2012 cannot come into operation on or before 31 March 2012. To ensure that when the new financial year starts on 1 April 2012, the Government will not need to halt public services, including services closely related to people's livelihood such as education, social welfare, healthcare, security, and so on, due to the lack of funds, we need to propose this motion.

(THE PRESIDENT resumed the Chair)

We have determined the funds on account sought under each subhead in accordance with the fourth paragraph of the resolution, by reference to the relevant provisions shown in the 2012-2013 Estimates of Expenditure. Incorporating the requirements at subhead level, the initial amount of funds on account under each head is provided in the form of a footnote to this speech. Prior to the coming into operation of the Appropriation Ordinance 2012, the aggregate amount of funds on account is \$79,594,567,000.

Subject to the above aggregate amount not being exceeded, the resolution enables the Financial Secretary to vary the funds on account in respect of any subhead, but these variations must not cause an excess over the amount of provision entered for that subhead in the 2012-2013 Estimates of Expenditure. To increase transparency, in line with the established practice, we undertake to submit reports to the Finance Committee of this Council in case the Financial Secretary has exercised this authority to meet necessary requirements.

In order to ensure that Government has the resources to continue providing services to the public, I urge Members to support the motion today.

The vote on account will be subsumed upon the enactment and commencement of the Appropriation Ordinance 2012.

President, I beg to move.

Footnote

<i>Head of Expenditure</i>	<i>Amount shown in the Estimates \$'000</i>	<i>Initial amount of funds on account \$'000</i>
21 Chief Executive's Office	93,070	18,614
22 Agriculture, Fisheries and Conservation Department	2,211,842	1,418,952
25 Architectural Services Department	1,643,927	328,786
24 Audit Commission	129,568	25,914
23 Auxiliary Medical Service	71,970	17,492
82 Buildings Department	1,085,700	218,136
26 Census and Statistics Department	576,367	119,274
27 Civil Aid Service	88,374	19,035
28 Civil Aviation Department	820,331	164,067
33 Civil Engineering and Development Department	1,905,979	383,708
30 Correctional Services Department	3,058,900	641,157
31 Customs and Excise Department	2,779,156	632,279
37 Department of Health	5,301,176	1,371,644
92 Department of Justice	1,250,519	250,800
39 Drainage Services Department	1,903,557	408,309
42 Electrical and Mechanical Services Department	384,903	113,107
44 Environmental Protection Department	2,765,575	753,322
45 Fire Services Department	4,398,921	1,109,777
49 Food and Environmental Hygiene Department	4,937,174	1,013,869
46 General Expenses of the Civil Service	2,902,608	580,522
166 Government Flying Service	686,509	515,268
48 Government Laboratory	375,228	115,612
59 Government Logistics Department	539,454	224,602
51 Government Property Agency	1,768,829	368,333
143 Government Secretariat: Civil Service Bureau	459,574	92,011
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	1,380,483	288,877

<i>Head of Expenditure</i>	<i>Amount shown in the Estimates \$'000</i>	<i>Initial amount of funds on account \$'000</i>
55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch).....	298,214	176,848
144 Government Secretariat: Constitutional and Mainland Affairs Bureau.....	459,632	93,767
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	800,664	684,933
159 Government Secretariat: Development Bureau (Works Branch)	350,511	101,657
156 Government Secretariat: Education Bureau ...	43,193,527	9,544,659
137 Government Secretariat: Environment Bureau	67,171	17,435
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	218,136	66,260
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch).....	13,240,890	13,078,898
139 Government Secretariat: Food and Health Bureau (Food Branch).....	78,531	15,707
140 Government Secretariat: Food and Health Bureau (Health Branch)	41,705,880	9,047,001
53 Government Secretariat: Home Affairs Bureau	1,319,803	290,734
155 Government Secretariat: Innovation and Technology Commission	515,467	119,454
141 Government Secretariat: Labour and Welfare Bureau	679,878	174,662
47 Government Secretariat: Office of the Government Chief Information Officer ...	626,478	141,296
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	694,789	140,235
96 Government Secretariat: Overseas Economic and Trade Offices	303,546	61,043

<i>Head of Expenditure</i>	<i>Amount shown in the Estimates \$'000</i>	<i>Initial amount of funds on account \$'000</i>
151 Government Secretariat: Security Bureau	310,451	62,091
158 Government Secretariat: Transport and Housing Bureau (Transport Branch)	145,786	31,480
60 Highways Department.....	2,360,274	490,935
63 Home Affairs Department.....	1,893,058	435,386
168 Hong Kong Observatory	238,750	51,728
122 Hong Kong Police Force.....	14,059,209	3,037,697
62 Housing Department	173,196	34,640
70 Immigration Department.....	3,312,198	669,118
72 Independent Commission Against Corruption.....	875,545	175,557
121 Independent Police Complaints Council.....	37,919	7,988
74 Information Services Department	395,702	82,405
76 Inland Revenue Department.....	1,375,873	275,175
78 Intellectual Property Department.....	115,177	23,036
79 Invest Hong Kong	113,679	22,736
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	30,214	6,043
80 Judiciary	1,209,562	246,603
90 Labour Department	2,930,303	1,886,215
91 Lands Department	1,943,909	390,279
94 Legal Aid Department.....	794,523	158,905
112 Legislative Council Commission.....	585,785	124,804
95 Leisure and Cultural Services Department ...	6,146,782	1,328,489
100 Marine Department	1,013,991	236,045
106 Miscellaneous Services	34,542,507	1,868,907
180 Office for Film, Newspaper and Article Administration	41,117	8,224
114 Office of The Ombudsman	94,655	19,011
116 Official Receiver's Office	148,181	29,717
120 Pensions.....	23,093,310	4,625,487
118 Planning Department.....	528,503	110,304
136 Public Service Commission Secretariat.....	18,114	3,623
160 Radio Television Hong Kong	618,020	159,755
162 Rating and Valuation Department	444,019	88,804

<i>Head of Expenditure</i>	<i>Amount shown in the Estimates \$'000</i>	<i>Initial amount of funds on account \$'000</i>
163 Registration and Electoral Office	605,648	121,130
169 Secretariat, Commissioner on Interception of Communications and Surveillance.....	16,967	3,394
170 Social Welfare Department	43,479,215	11,753,174
173 Student Financial Assistance Agency	4,742,951	1,252,368
181 Trade and Industry Department.....	651,788	417,718
186 Transport Department.....	1,334,342	328,409
188 Treasury	349,694	69,939
190 University Grants Committee.....	13,304,129	2,660,826
194 Water Supplies Department.....	6,487,026	1,306,366
	<u>318,634,883</u>	<u>79,552,567</u>
184 Transfers to Funds	1,042,000	42,000
	<u>319,676,883</u>	<u>79,594,567</u>
	=====	=====
Total.....	319,676,883	79,594,567

Note:

- * The initial amount of funds on account under Head 106 includes \$1 billion under Subhead commitments for contingency.

The Secretary for Financial Services and the Treasury moved the following motion:

"RESOLVED that —

1. Authority is hereby given for a sum not exceeding \$79,594,567,000 to be charged on the general revenue for expenditure on the services of the Government in respect of the financial year commencing on 1 April 2012.
2. Subject to this Resolution, the sum so charged may be expended against the heads of expenditure as shown in the Estimates of Expenditure 2012-13 laid before the Legislative

Council on 1 February 2012 or, if the Estimates are changed under the provisions of the Public Finance Ordinance (Cap. 2) as applied by section 7(2) of that Ordinance, as shown in the Estimates as so changed.

3. Expenditure in respect of any head of expenditure must not exceed the aggregate of the amounts authorized by paragraph 4 to be expended in respect of the subheads in that head of expenditure.
4. Expenditure in respect of each subhead in a head of expenditure must not exceed —
 - (a) for an Operating Account Recurrent subhead of expenditure, an amount equivalent to —
 - (i) except if the subhead is listed in Schedule 1 to this Resolution, 20% of the provision shown in the Estimates in respect of that subhead;
 - (ii) if the subhead is listed in Schedule 1 to this Resolution, the percentage of the provision shown in the Estimates in respect of that subhead that is specified in that Schedule in relation to that subhead; and
 - (b) for an Operating Account Non-Recurrent subhead of expenditure or a Capital Account subhead of expenditure, an amount equivalent to —
 - (i) except if the subhead is listed in Schedule 2 to this Resolution, 100% of the provision shown in the Estimates in respect of that subhead;
 - (ii) if the subhead is listed in Schedule 2 to this Resolution, the amount that is specified in that Schedule in relation to that subhead,

or such other amount, not exceeding an amount equivalent to 100% of the provision shown in the Estimates in respect of that subhead, as may in any case be approved by the Financial Secretary.

		SCHEDULE 1		[para. 4(a)]
	Head of Expenditure		Subhead	Percentage of provision shown in Estimates
90	Labour Department	280	Contribution to the Occupational Safety and Health Council	30
		295	Contribution to the Occupational Deafness Compensation Board	30
106	Miscellaneous Services	284	Compensation	40
120	Pensions	026	Employees' compensation, injury, incapacity and death related payments and expenses	35
170	Social Welfare Department	157	Assistance for patients and their families	100
		176	Criminal and law enforcement injuries compensation	25
		177	Emergency relief	100
		179	Comprehensive social security assistance scheme	30
		180	Social security allowance scheme	30

		SCHEDULE 2		[para. 4(b)]
	Head of Expenditure		Subhead	Amount \$
106	Miscellaneous Services	689	Additional commitments	0
		789	Additional commitments	1,000,000,000
184	Transfers to Funds	988	Payment to the Loan Fund	0"

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

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

MR ALBERT CHAN (in Cantonese): President, for many years, this motion has just been a routine, but the People Power must take this opportunity to convey a message to the Government very clearly.

Although the so-called funds on account sought under this motion is related to the approval of the essential needs and items of the relevant government departments, the overall thinking and focus of the Budget clearly reflect the total disregard of the Government for the hardships of the general public, in particular, the grassroots and the "n have-nots". Government officials are worried that the process of examining the Budget would disrupt the payment of their salaries or affect their work, so they are requesting funds on account. However, they remain indifferent to the hardships and predicament in living, the housing problems, and so on, encountered by millions of Hong Kong people. President, for this reason, the scrutiny of public finance and the beliefs and philosophy of public finance management should actually be discussed and dealt with altogether. We should not disregard public interest completely simply for the sake of administrative convenience and on administrative grounds, particularly given that the Budget as a whole has disregarded the needs and hardships of some social groups.

To express our dissatisfaction with the contents of the Budget as a whole and our extreme dissatisfaction with such issues as the overall philosophy of governance and the use of public funds, the People Power will vote against this motion. At the same time, we have to send a clear message to the Government: The departments taking care of 7 million Hong Kong people and managing public finance on their behalf must understand the public and be compassionate to them. These departments must take into account the needs of various social strata, sectors and people from all walks of life more comprehensively. This is the fundamental principle and concept in public finance management. Public finance surely involves the issue of asset distribution and redistribution and it also involves the issue of whether or not the use of public assets is cost-effective. For the Government, it must live up to the fundamental principle and spirit of value for money.

President, although we are not dealing with the whole Budget today, insofar as the allocations under the heads of expenditure is concerned, the Government has not shown any care for a lot of needy people. If the Government were concerned about the needs of certain social strata, it could have made arrangements for such pressing needs through the funds on account. However, on the whole, the approach adopted by the Government is designed only to serve the interests of officials, so that they can continue to enjoy handsome pay regardless of the hardships of the general public, so this must be condemned. For this reason, the People Power will resolutely oppose today's motion on funds on account.

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

MR WONG YUK-MAN (in Cantonese): President, during the discussion on the vote on account in this Chamber on 16 March last year, I delivered a speech entitled "Let the people decide their own well-being!" and now, I am holding this speech. It took me 15 minutes to read it out.

In the vote on the first occasion, the motion was negated because there were insufficient votes to support its passage. Members blamed each other for the insufficient number of votes, with the pro-democracy camp and pro-establishment camp accusing each other. Some Members said that they

thought the motion would surely be passed, so they were not present. On the last occasion, everyone could see this farce very clearly.

The main reason is that the Budget last year could not win the support of the public. The Government proposed that \$6,000 be deposited in the Mandatory Provident Fund accounts of the public and they could withdraw it only when they reach 65 years of age. This had been done before in 2009 but the Government continued to alienate itself from the people, so much so that even the pro-establishment camp changed its stance. Secretary, you should still have a vivid memory of this. At that time, you were stopped in your track once. Subsequently, the Government tabled a revised motion and eventually, it was passed. In the same vein, this vote on account motion today will also be passed certainly. Let me tell you why. This is because even the pro-democracy camp has expressed its support for the Budget. Therefore, you need not worry.

However, although I said that you need not worry, I still have to give you a dressing-down, buddy. You are still handing out money, handing out so much money, but it is not poverty but the uneven distribution of wealth that we have to worry about. There is a very strange rationale here, that is, \$6,000 was handed out last year but that was most unfair because LI Ka-shing received \$6,000 and so did a poor chap. But LI Ka-shing practically did not need that \$6,000 at all.

The rationale now is that you give \$100 million to LI Ka-shing but not a cent to the poor, and this is considered fair

PRESIDENT (in Cantonese): Mr WONG, this Council is deliberating the Appropriation Bill 2012.

MR WONG YUK-MAN (in Cantonese): Just now, my party comrade made it very clear

PRESIDENT (in Cantonese): There will be time for Members to debate this year's Budget in this Council in future.

MR WONG YUK-MAN (in Cantonese): No, my party comrade has made it very clear that we oppose the vote on account motion. This is a political gesture because the Government's Budget is miserably deplorable. The Government's Budget is about robbing the poor to relieve the rich, President, isn't it? Therefore, we have to state our position. Can I do so? I now oppose it, so I have to state my ground of opposition. President, is it right for me to do so? I hope

PRESIDENT (in Cantonese): Members cannot talk about the Budget today. Please focus on the resolution today.

MR WONG YUK-MAN (in Cantonese): On 9 March 2011, because the motion on the funds on account sought by the Government each year to meet government expenditure between the start of the financial year and the time before the Budget is passed could not secure the support of half of the Members present in the Legislative Council, it was negated for the first time in history. However, this time, on 15 February 2012, this vote on account motion will surely be passed by the Legislative Council. Am I speaking to the question, President?

I oppose, and my ground of opposition is that this Budget is robbing the poor to relieve the rich. Shame on you. Full stop.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to give a reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, Members have raised some questions and given views on this year's Budget. Presently, the Appropriation Bill 2012 has been submitted to

the Finance Committee for consideration. Members can express their views on the Budget at the second meeting on the Budget to be held on 21 and 22 March.

I hope that Members will support this motion so that the Government can obtain the necessary resources to carry on its services between the start of the financial year on 1 April 2012 and the time when the Appropriation Ordinance 2012 comes into operation.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury 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 CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for five minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Dr Raymond HO, Mr Fred LI, Mr CHEUNG Man-kwong, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Kong-wah, Ms Miriam LAU, Ms Emily LAU, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Frederick FUNG, Ms Audrey EU, Mr Vincent FANG, Mr WONG Kwok-hing, Mr LEE Wing-tat, Dr Joseph LEE, Mr WONG Ting-kwong, Mr Ronny TONG, Mr CHIM Pui-chung, Prof Patrick LAU, Mr KAM Nai-wai, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Dr Priscilla LEUNG, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Alan LEONG and Miss Tanya CHAN voted for the motion.

Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr WONG Yuk-man voted against the motion.

Mr LEUNG Yiu-chung abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 43 Members present, 38 were in favour of the motion, three against it and one abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): There are three Members' motions today. The second and third ones are motions with no legislative effect.

First Member's motion: Ms Miriam LAU will move a motion under Rule 49E(2) of the Rules of Procedure to take note of Report No. 12/11-12 of the House Committee laid on the Table of the Council in relation to the Undesirable Medical Advertisements (Amendment) Ordinance 2005 (Commencement) Notice 2012.

PRESIDENT (in Cantonese): According to the relevant debate procedure, I will first call upon Ms Miriam LAU to speak and move the motion, and then call upon other Members to speak. Each Member may only speak once and may speak for up to 15 minutes. Finally, I will call upon the public officer to speak. The debate will come to a close after the public officer has spoken, and the motion will not be put to vote.

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

I now call upon Ms Miriam LAU to speak and 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 as printed on the Agenda in accordance with Rule 49E(2), so that Members can debate the Undesirable Medical Advertisements (Amendment) Ordinance 2005 (Commencement) Notice 2012 as set out in Report No. 12/11-12 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments.

Ms Miriam LAU moved the following motion:

"That this Council takes note of Report No. 12/11-12 of the House Committee laid on the Table of the Council on 15 February 2012 in relation to the subsidiary legislation and instrument(s) as listed below:

<u>Item Number</u>	<u>Title of Subsidiary Legislation or Instrument</u>
(1)	Undesirable Medical Advertisements (Amendment) Ordinance 2005 (Commencement) Notice 2012 (L.N. 3/2012)."

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

MR FRED LI (in Cantonese): On the commencement of the Undesirable Medical Advertisements (Amendment) Ordinance 2005 (the Ordinance), which is enacted to strengthen the regulation of advertisements on such products as health food, the Democratic Party certainly supports it. In fact, that the Ordinance is about to come into operation after its passage on 29 June 2005 means the delay is far too long and its commencement has come far too late.

Although the regulatory provisions will come into effect soon, this is just better than nothing. Why do I say so? Because the coverage of the Ordinance is too small. When this piece of legislation was discussed in 2005, we already demanded strongly that the Government broaden its coverage.

The provisions that will come into effect soon only impose regulation on six groups of health claims. Although the Democratic Party, I and the Consumer Council have repeatedly demanded the regulation of three types of advertisements, the Ordinance does not regulate them.

The first type of advertisements on which the Government has not imposed regulation is related to slimming or reduction of body fat, including fat burning, fat elimination, appetite control, fat absorption and elimination of fluid retention. The second type is related to the regulation of body immune system against diseases, including claims that a product can prevent cancer, chronic diseases and infection, or alter the effects of chemotherapy and radiotherapy. The third type covers claims of promoting detoxification.

In 2002, that is, a decade ago, the Government established an Expert Committee to examine the regulation of advertisements on health food. At that time, the Expert Committee recommended a ban on nine types of health claims, including the three types mentioned by me just now, so they were not made up by me, rather, they were recommended by government experts. However, when the Government decided to amend the Ordinance in 2004 — I believe it may have succumbed to the pressure from the sectors concerned or the business sector — it cancelled the regulation of the three types of advertisements mentioned by me just now.

In recent years, the market has been swamped by products and advertisements related to slimming and there are also many advertisements claiming to be capable of detoxification and body slimming. There are

thousands of food products that appeal to consumers. A very large business turnover is involved and many members of people use such products.

On the prevention of cancer and chronic diseases, due to population ageing and heightened health awareness, many types of health food targeting elderly people can be found in the market. Some of them claim to be able to promote physical health or ameliorate common illnesses. The marketing strategies of these products are drawn up to target elderly people, for example, by setting up exhibition and sale centres on short-term tenancies in shopping malls and attracting customers through free physical tests or health talks. The staff members present will usually wear doctor's gowns to project a professional image. Free gifts would be used to draw elderly local residents into the venue. Then, through the talks given by "undeclared professionals" and the testimonies of users — that is, people acting as "decoys" and pretending to be customers — consumers are hoodwinked into buying large quantities of expensive health food with little efficacy. Then, the businesses are wound up within a short period of time, so even if these local residents realize that they have been deceived, there is no way for them to pursue the matter.

In issue number 414 of the *Choice* magazine published in April 2011 by the Consumer Council, a prime example of a complaint against the improper consumption of health food can be found, and I quote, "Chest pain after taking detoxification and slimming product" — in a company, a "doctor" claiming to have postgraduate qualifications recommended that an old lady take a total of 90 "chlorella tablets" with detoxification and slimming effects three times a day, so she spent \$1,600 on four boxes of pills containing 4 000 pills in total. After taking the pills for three weeks, she felt acute chest pain, so she went to a hospital for emergency treatment. She ended up staying in an intensive care unit for treatment. The doctors said that her illness was perhaps caused by the consumption of the health food, as it contained vitamin K, which promotes blood clotting, and that the lady had overdosed on it seriously. Even if the Ordinance had come into effect, in this case, it would have been impossible to regulate the claims of detoxification and slimming.

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

The great majority of these advertisements are misleading and exaggerate the efficacy. Many of them are even irresponsible. If the public mistakenly trust these advertisements, not only would they suffer financial losses, their health may also be affected. When the Bills Committee was scrutinizing the provisions, experts from both the Chinese medicine and Western medicine sectors pointed out that the safety of health products claiming to slim the body and regulate the body immune system was questionable.

For this reason, the Government should step up regulation. The Government does not necessarily have to ban such advertisements completely, but if the products claim to have the effect of slimming, detoxification or improving the immune system, appropriate scientific evidence must be furnished. Unfortunately, in the end, the Government did not take on board these views. Even after the Ordinance has come into effect, the advertisements relating to detoxification, body slimming or improving the immune system will still remain not regulated.

I hope the Secretary can systematically collect the statistical figures on the health problems encountered by the public as a result of consuming health food claiming to be able to detoxify and slim the body or improve the immune system, and lay down a clear timetable for reviewing whether or not the claims of slimming, detoxification or improving the immune system should be regulated, so as to protect public health and consumer rights.

I so submit.

MS AUDREY EU (in Cantonese): Deputy President, I speak in support of this motion. However, I wish to express regrets about certain aspects.

The first is, of course, about the excessively late commencement date of the Undesirable Medical Advertisements Ordinance (the Ordinance). Although the Ordinance was passed on 29 June 2005, the major provisions (that is, sections 2, 3, 4, 5, 6, 7, 8, 10 and 12) will come into operation only now. The reason is that it is necessary to wait for the registration system under the Chinese Medicine Ordinance to be put in place before consideration can be given to the implementation of the relevant provisions can be considered. Time flies and we have waited for seven years. The terms of office of the Legislative Council

Members at that time ended long ago and this Legislative Council will also be replaced soon. It was after two terms of the Legislative Council that a date for the commencement of the relevant provisions is prescribed.

The second point about which I find most regrettable is that the coverage of the Ordinance is very limited. In end 2002, the Administration established an Expert Committee consisting of expert representatives of the Consumer Council (CC), Chinese medicine practitioners, medical practitioners, pharmacists and a nutritionist. At that time, 13 types of claims were considered and after review, the Administration eventually proposed a ban on nine of them. However, in the subsequent discussions, the Administration heard a lot of views, so it further reduced the number to six and among them, disclaimers can be used in respect of three types of products to tell consumers that a product is not registered under the relevant ordinances.

In addition, originally, the Administration proposed the inclusion of three types of claims but in the end, they were excluded. The first group is claims relating to slimming or fat reduction of the body, including fat burning, fat elimination, appetite control, fat absorption and elimination of fluid retention. The second group is related to regulation of body immune system against diseases, including cancer, chronic diseases and infection. The third group covers claims of promotion of detoxification. This created a major loophole and as a result, many manufacturers of health food claiming to have curative effects can exploit the loophole in law.

Health products are now very prevalent. Some members of the public have misplaced their trust in the relevant advertisements, thus delaying seeking treatment for their illnesses, with some even losing their lives. Last year, the Hong Kong Poison Information Centre received 4 413 cases of enquiries about poisoning. Among them, there were 188 serious cases and 38 fatal cases, of which 11% were cases of fatal poisoning by Chinese medicine and health food.

The Society of Hospital Pharmacists of Hong Kong also believes that the public have insufficient knowledge of medicine and are prone to be influenced by advertisements. As a result, the situation of misplaced trust in healthcare products is becoming increasingly serious. The Department of Health said that last year, 178 cases of complaints against undesirable medical advertisements were received and after investigation, 61 warning letters in total were issued,

whereas the CC also received 71 complaints against health food from January to November last year.

Each evening, in particular, during dinner time, if we turn on the television, we will find that such advertisements are practically overwhelming. Members must have watched many advertisements on formula milk powder that claim to be able to boost the immunity of babies and say that one no longer has to worry about babies who are picky about food; in sum, claims that these products can help solve such problems. Often, the advertisements on these types of baby products also rely on the celebrity effect by employing celebrities to promote the merits of such products, and so parents are bewildered by the wide array of products available.

In the first 10 months of last year, the CC received 172 complaints against formula milk powder, a 220% increase over that of the same period last year. Most of these complaints were related to the prices or shortage of formula milk powder, but there were also quite a number of complaints against the marketing tactics and quality of formula milk powder.

In 1981, that is, 30 years ago, the World Health Organization (WHO) and the United Nations Children's Fund promulgated the International Code of Marketing of Breastmilk Substitutes, the compliance with which is voluntary in nature, to provide that manufacturers and wholesalers and dealers cannot place advertisements on milk powder formulae for newborn infants and those for older babies. However, the trend in Hong Kong is apparently bucking that of developed countries or the WHO in that a large number of advertisements on formula milk powder are allowed to bombard the public every day.

Four large professional bodies in Hong Kong, including the Department of Paediatrics and Adolescent Medicine of the University of Hong Kong (HKU), the Hong Kong Medical Association, the Society of Hospital Pharmacists of Hong Kong and the Hong Kong Dietitians Association, all confirm unanimously that the relevant advertisements are exaggerations and misrepresentations that lack clinical evidence. For example, some formula milk powder brands claim to have probiotics that can enhance the immunity of the digestive system. The Department of Paediatrics and Adolescent Medicine of the HKU believes that this claim is unfounded because for one thing, the quantity of probiotics added to formula milk powder may not be comparable to that of breast milk and for another, even if the quantity is comparable, the effect may not be the same as that of breast milk. So far, there is insufficient clinical evidence to show that the

probiotics added to this kind of formula milk powder has tremendous benefit for full-term infants.

There are also advertisements on formula milk powder that exploit the desire of mothers to see their children become high flyers by claiming that the ingredient added to the formula milk powder is "PhD". On hearing the term "PhD", one would think that it means "Doctor of Philosophy". In fact, this is not the case. The so-called "PhD" refers to some kind of lecithin and the short form in English should be "PL" but the advertisers just took liberties with it by calling it "PhD" instead. The relevant expert groups all told us that there was no scientific evidence indicating any benefit for babies in adding this ingredient to formula milk powder. However, these advertisements are broadcast every day but the Government has not taken any legislative step to impose regulation.

We have waited for seven years for the relevant provisions in the Undesirable Medical Advertisements Ordinance to come into effect. However, each day, in the market, there are many recently, there are even a lot of advertisements on water that contains "super energy". Deputy President, I wonder if you have heard about this. These advertisements say that the advertised product of nano water cups can enhance the nutritional and physiological properties of water, that the water can be absorbed readily by the body that it can induce biological effects, and so on. In sum, there are miraculous scientific effects. It can be said that examples of such claims abound.

Of course, we understand that the process of enacting legislation cannot keep up with the creativity of advertisers but even so, I still hope that the Administration can move more quickly. At least, it should enact legislation to regulate products that affect health significantly, such as formula milk powder, slimming food and health food. It is only a minor matter if members of the public believe in this kind of products but find them to be ineffective after using them, but if they delay seeking medical treatment because of such products, their lives will be jeopardized.

I hope that even as Members support the Ordinance, they can also oversee the Government in enacting legislation on other types of undesirable healthcare products or food that claims to have curative effects.

Thank you, Deputy President.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Members have already spoken. I now call upon the Secretary for Food and Health to speak. This debate will come to a close after the Secretary has spoken.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, first, I must thank Members for their suggestions made just now.

The Undesirable Medical Advertisements Ordinance (the Ordinance) prohibits advertisements claiming that a product or a treatment has curative or preventive effect on any diseases listed in the Schedules to the Ordinance. The purpose is to protect the general public from being induced by advertisements to improperly administer self-medication or treatment instead of consulting relevant healthcare professionals.

To further control the health claims of orally consumed products, we plan to implement the provisions in the Undesirable Medical Advertisements (Amendment) Ordinance 2005 (Amendment Ordinance) on 1 June 2012 to extend the prohibition or restriction on advertising to another six groups of claims specified in a new Schedule 4, and to apply the prohibition or restriction on advertising of claims specified in Schedule 4 to all orally consumed products that are not customarily consumed as food or drink.

In defining the scope of regulation, we heeded the views of the Expert Committee consisting of representatives from the Consumer Council, Chinese medicine practitioners, medical practitioners, pharmacists and a nutritionist and adopted a risk-based approach. Priority and resources were placed on issues and items that pose health hazards.

After the commencement of the Amendment Ordinance, the advertising of these three claims is not allowed under any circumstances, including "prevention, elimination or treatment of breast lumps"; "regulation of function of genitourinary system"; and "regulation of endocrine system".

As for the "regulation of body sugar or glucose"; "regulation of blood pressure"; and "regulation of blood lipids or cholesterol", the advertising of these three claims is allowed in the prescribed manner (for example, "The product is suitable for people concerned about blood sugar").

At the same time, the Amendment Ordinance also provides that for orally consumed products carrying health claims but not registered under the Pharmacy and Poisons Ordinance or the Chinese Medicine Ordinance, a disclaimer must be clearly placed in the advertisement to inform consumers that they are not products registered under the two said ordinances. The disclaimer reminds consumers that any claim made for the orally consumed product has not been subject to evaluation for the purpose of registration and that it is not intended to diagnose, treat or prevent any disease.

Just now, two Members talked about other products, such as formula milk powder, which we are concerned about. We are now actively studying the situation in the market and will introduce the necessary codes and legislation in due course.

After the full implementation of the provisions relating to the registration of proprietary Chinese medicine in two phases in December 2010 and December 2011 respectively, the said provisions in relation to the disclaimer can be implemented. Therefore, the Amendment Ordinance will come into operation on 1 June 2012.

To prepare the trade for the full implementation of the Amendment Ordinance, the Department of Health has launched another publicity drive. The trade and stakeholders have been briefed on the plan to commence the remaining sections of the Amendment Ordinance since early 2011. We also consulted the Legislative Council Panel on Health Services on 9 January 2012 and its members generally supported the proposed commencement date.

The Department of Health will continue to maintain close communication with the trade, keep the trade informed and launch further publicity drives to ensure the smooth implementation of the Amendment Ordinance.

Thank you, Deputy President.

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

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

DEPUTY PRESIDENT (in Cantonese): First motion with no legislative effect: Report of the delegation of the Panel on Manpower to study the experience in the implementation of standard working hours in the Republic of Korea.

DEPUTY PRESIDENT (in Cantonese): 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 his motion.

REPORT OF THE DELEGATION OF THE PANEL ON MANPOWER TO STUDY THE EXPERIENCE IN THE IMPLEMENTATION OF STANDARD WORKING HOURS IN THE REPUBLIC OF KOREA

MR LEE CHEUK-YAN (in Cantonese): Deputy President, in my capacity as Chairman of the Panel on Manpower (the Panel), I move that the motion, as printed on the Agenda, be passed.

The delegation of the Panel visited Seoul, the capital of Korea, from 24 to 28 July 2011 to gain an insight into the enactment and experience of implementing standard working hours in Korea. The delegation met with Members of the National Assembly and exchanged views with the Ministry of Employment and Labor of the Korean Government on the relevant policies, the monitoring mechanism and the impacts of standard working hours on the labour

market and business environment. The delegation also received views from the two largest trade unions and the Korea Employers Federation, the Tripartite Commission composed of representatives of the Government, employers and employees' organizations, as well as research experts.

The delegation noted the reduction of standard working hours in Korea from 48 hours per week in 1953 to 44 hours per week in 1991 and further to 40 hours per week in six phases between 2004 and 2011, while maintaining economic growth during the same period.

At present, the standard working hours for general employees in Korea as specified in legislation is an eight-hour working day and a 40-hour working week. The delegation finds that the experience of Korea has provided very useful reference to Hong Kong in considering the subject of the introduction of standard working hours, including:

1. the reduction of standard working hours has not generated any heavy burden for enterprises. The Gross Domestic Product (GDP) per capita of Korea had been increasing before the implementation of the 40-hour working week in 2004 and has remained so afterwards;
2. the general recognition by the Government and the community of the importance of a balance between work and family life in building a healthier society;
3. consideration can be given to the phased implementation of standard working hours, starting with certain industries and large organizations. To address the concern about the financial burden on employers, the Korean Government introduced the 40-hour working week by six stages over a period of seven years, starting with large companies. As small and labour-intensive businesses are expected to be most affected by the implementation of a shorter working week, they have been given the longest transitional period to adjust to the new arrangement. The overtime wage rate was reduced from 150% to 125% for the first four hours of overtime work and the upper limit of overtime work was increased from 12 hours to 16 hours per week in the first three years after the implementation of the 40-hour working week;

4. consideration can be given to the provision of financial incentives to small and medium enterprises (SMEs) to implement standard working hours, particularly in the initial period. In Korea, subsidy was provided to SMEs that launched the new working hour system at least six months earlier than the scheduled timetable under the law. A subsidy in the amount of KRW 1.8 million (about HK\$12,308) per person was paid per quarter to the SMEs concerned until the statutory requirement of 40 working hours per week became effective for the relevant businesses. The subsidy was subject to an upper limit of 10% of the number of employees of the business before the reduction in working hours. The limit was increased to 30% from January 2009 onwards;
5. other measures have been introduced by the Korean Government to relieve employers' financial burdens. These include abolishing the one-day monthly paid leave, making menstruation leave unpaid, allowing employers to compensate overtime work with leave, and expanding the flexible working hours system;
6. in order to prevent a reduction in an employee's wages, the Korean Administration incorporated an article in the Addenda to the Labor Standards Act requiring employers to keep the existing wage level of employees after the implementation of the 40-hour working week. Surveys conducted on enterprises indicated no significant change in the income of employees after the reduction of standard working hours; and
7. the need for establishing a high-level body comprising various stakeholders, including representatives from the Government, employers and the labour sector, to initiate early tripartite discussion among the Government, employers and employees on the subject, with a view to reaching an agreement on the basic framework.

Furthermore, the delegation is also impressed that notwithstanding the reduction of standard working hours to the current level of 40 hours per week in Korea, there is tripartite commitment among the Government, employers and employees in Korea to further reduce the working hours of employees in the longer term. It notes that besides the calls from trade unions for the further

reduction of statutory working hours, a committee formed under the Economic and Social Development Commission in Korea has reached a tripartite agreement in June 2010 to further improve working hours. The agreement includes, among others, the reduction of annual working hours from the current level of more than 2 000 hours to about 1 800 hours by 2020 and the setting up of a comprehensive national body comprising various stakeholders, including representatives from the labour sector, management and the Government, to improve the practice on working hours.

Next, I will express the views of the Labour Party and those of the Hong Kong Confederation of Trade Unions (CTU).

Just now, Members have learnt about the Korean experience. However, if Hong Kong is held up in comparison, I can only say, "Secretary, have mercy on Hong Kong people.". Nowadays, Hong Kong people still have to work like slaves and this is atrociously inhuman. They have jobs but no family life. They have jobs but no health. The whole system is actually inflicting injuries on the families and health of wage earners, so there is practically no quality of life to speak of in Hong Kong.

Come to think about this. Without the enactment of legislation on standard working hours, frequently, many wage earners in Hong Kong have to work for long hours six days weekly and at least 10 hours daily, and even 12 hours or 14 hours in some cases. At present, about 660 000 people in Hong Kong work for more than 60 hours a week. The miserable thing is that a decade ago, there were 660 000 people working for over 60 hours a week and a decade later, there are still 660 000 people working for over 60 hours a week, so there practically has been no progress. The working hours of Hong Kong people have all along been very long and no progress has been made. Secretary, throughout so many years, the Government has not taken any action, so how can you bear to see this? Have you got a heart?

I also have to tell Members an astonishing discovery. It is about a statistical figure. What kind of an astonishing discovery is it? What I mean is the present situation of "having meals without paying for them". What does "having meals without paying for them" mean? Maybe some employers are here and they would say that my comments are mean, but this is the fact. It means working overtime without pay. Deputy President, is this not having

meals without paying for them? You get something to eat in a cafeteria but refuse to pay for it, so how is not paying employees for overtime work any different? In both cases, it is just "having meals without paying for them".

All right, how is the situation of working overtime without pay like in Hong Kong? This astonishing discovery is really serious. In 2008, the Census and Statistics Department conducted a survey on overtime work. What are the findings? First, 700 000 people have to work overtime and 70%, that is, 500 000 people have to work overtime without pay. First of all, I must point out that the fact that 700 000 people have to work overtime does not mean that other people have shorter working hours, as some people have to work for 12 hours or 14 hours daily and this is not considered overtime work. What is overtime work? It means that a contract stipulates eight hours of work but if one works for four hours more, this is overtime work. Therefore, we must not think that this figure of 700 000 people has included all employees working long hours as the working hours of other people are also long, since without the enactment of legislation on standard working hours, even working for 12 hours daily may not be considered overtime work. All right, I am talking about employees who are protected by contracts but do not receive compensation for their overtime work, who number 500 000 in total. What about the calculation of the number of hours worked? The total number of hours of overtime work without pay each year stands at 240 million hours. Furthermore, the managerial and professional levels fared the worst, with the number of overtime work without pay standing at 180 million hours. If we calculate the financial implications based on the average hourly rate, the sum of money amounts to \$225 million, that is, employers are having meals without paying \$225 million. Such is the seriousness of the situation of overtime work without compensation.

But we must not think that after the implementation of standard working hours, employers will have to pay back \$225 million. This is not so. If standard working hours are introduced, what would be the situation? It would be vastly different from the present one. At present, going off work is not what it really is. One is supposed to go off work at six o'clock, but the real time at which one goes off work is eight o'clock, nine o'clock, 10 o'clock or even midnight. In the future, when standard working hours have been introduced, overtime work can no longer be abused as it will be necessary to pay for it. Once money is at stake, employers would say that it is more preferable not to do overtime work and this is what we hope for the most, that is, overtime work

would no longer be arbitrary and the working hours of workers would no longer be arbitrary. Although there is evidently no need to work overtime, employees are forced to do so and when it is evident that more employees should be hired to do the work, the workload of employees are increased, such that they cannot go off work as scheduled. This is really unfair, Deputy President. Life in Hong Kong is really miserable as there is totally no balance between life and work.

Moreover, we must not think that it is all very fine to work long hours. The people in our generation do not say anything, but what about the post-1980 generation? Deputy President, I found a very interesting dialogue between employer and employees on the Internet. What did the employer, the accounting firm Deloitte Touche Tohmatsu, say? A partner said, "The working hours of our company start at eight o'clock, not nine, half past nine or 10.". Employees were reminded not to be late. Well, an employee calling himself "humble servant" said, "Hey, boss, our working hours end at half past five, not midnight or three o'clock or six o'clock in the morning." These people in the post-1980 generation really cannot stand it anymore, that is, they are telling their employers: This is a new age, workers cannot be asked to work like slaves until midnight or three o'clock or six o'clock in the morning. If we do not care about the post-1980 generation, Hong Kong will only see a brain drain and a creative economy creativity requires leisure and a balance between work and family to attract talents. If workers in Hong Kong have to work like draught horses, sooner or later, the Hong Kong economy will be doomed.

Deputy President, I also have to talk about the candidates for the post of the Chief Executive, that is, Mr Albert HO, Mr Henry TANG and Mr LEUNG Chun-ying. Albert HO supports enacting legislation to implement standard working hours, but what did Henry TANG say? He said that the three parties, that is, the labour sector, employers and the Government, should establish a committee together with experts to explore how to bring about actual progress, but he did not talk about enacting legislation. Again, he evaded the issue of legislation, so is Henry TANG reluctant to do so when the interests of the business sector are at stake? Why did he not talk about enacting legislation? We do not know what undertakings he has made. Subsequently, he was pressured by reporters into saying that legislation would ultimately be enacted. After listening to this, I felt very worried because the Basic Law stipulates that universal suffrage will ultimately be introduced but more than two decades have

passed, has universal suffrage been introduced? No. He said that legislation would ultimately be enacted but I do not know if it would be. Can he be so kind as to make a promise and provide a timetable and roadmap on the enactment of legislation?

LEUNG Chun-ying is even worse. He said right from the beginning that he opposed the enactment of legislation to implement standard working hours, saying that the issue was very complicated and had to be examined. How does the matter stand now? I do not know because when I browsed the Internet to look at his political platform, there was no mention of this at all. Now, I wonder if he wants to lobby the Election Committee members from the Hong Kong Federation of Trade Unions (FTU) to vote for him, so discussions are taking place in full swing, in the hope of getting some results. However, if the FTU really wants to see the introduction of standard working hours, they should support Mr Albert HO instead, and they should all the more vote for him. This is because his position is the clearest in that he supports the enactment of legislation on standard working hours — however, of course, it is impossible for him to be elected the Chief Executive — and his political platform states explicitly that legislation will surely be enacted on standard working hours.

Deputy President, lastly, I wish to say that the request of the Confederation of Trade Unions (CTU) is actually very modest. We only hope that legislation can be enacted to prescribe that the standard working hours per week are 44 hours, that overtime compensation for work in excess of these 44 hours is 150% of the normal wage rate and that the maximum number of working hours is 60 hours a week. That is all. However, Hong Kong people are really miserable. We all remember that internationally, the first piece of law stipulating working hours came into being in 1844. The first Convention of the International Labour Organization drawn up in 1919, that is, 92 years ago, was about standard working hours. Deputy President, Hong Kong has lagged behind for a century. Secretary, how much longer do we have to wait? I have this question for you in closing.

With these remarks, Deputy President, I hope Members will support the motion.

Mr LEE Cheuk-yan moved the following motion: (Translation)

"That this Council notes the Report of the delegation of the Panel on Manpower to study the experience in the implementation of standard working hours in the Republic of Korea."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEE Cheuk-yan be passed.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I thank Mr LEE Cheuk-yan for proposing this motion debate.

The Panel on Manpower of the Legislative Council formed a deputation to visit Korea in July last year to study the experience in the implementation of standard working hours in the country and published a report presenting the main findings and observations of the delegation. The report mentioned the importance of striking a balance between work and personal life. I fully agree with this point. In fact, Members may also recall that the Chief Executive took the initiative to propose in the 2011-2012 Policy Address that the Government would launch a policy study on standard working hours, with a view to deepening society's understanding of the topic and promoting deliberation and discussion in this regard. The Labour Department (LD) is now pressing ahead with the relevant study, which includes looking into the relevant systems and experiences in regulating working hours in other places. The Census and Statistics Department will also collect and analyse data on our local workforce and the current working hour arrangements in various sectors of Hong Kong, so as to facilitate an in-depth and objective analysis.

The issue of standard working hours is a highly complex and controversial one. Our examination of the experience of implementing working hour systems in other places also attested to this. Apart from such fundamental conceptual issues as the aim of regulating working hours and whether or not a ceiling should be imposed on the number of working hours, a working hour system also involves other specific issues of implementation. For example, issues like the scope of application of a working hour system, appropriate exemptions and flexible arrangements also warrant in-depth consideration. We can see that in the

discussion on a working hour system in other places, various social sectors made various demands in various areas. Take Korea as an example, such issues as the possible reduction in the pay of workers and the impact of reduced working hours on the operation of SMEs, after the reduction of working hours, must also be discussed in depth and at length. It was only after balancing the interests of various parties that a consensus was reached. It can thus be seen that the process of forging a consensus is quite important.

Insofar as Hong Kong is concerned, at present, employers, employees and various sectors of the community have divergent views on whether standard working hours should be introduced in Hong Kong. The findings of the policy study conducted by the LD would provide a solid foundation for future discussion in the community, deepen society's understanding of this topic and facilitate the expression of opinions.

The policy study will take into account Hong Kong's economic and social conditions and the characteristics of various trades and industries. Since various trades and industries may have different modes of operation in different social settings, the impact of standard working hours on them also varies. Furthermore, since the statutory minimum wage has come into operation for a little more than nine months only, we must closely monitor its impact on the labour market, SMEs and the economy.

Deputy President, I so submit. I will give a more detailed response after listening to Members' views. Thank you, Deputy President.

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, I was a member of the delegation. I think that in making visits to various places around the world, Members hope to broaden their horizons and learn from the experience of forerunners, so as to gain insights. At the same time, they can also enhance the effectiveness of the Government's administration. At least, some twists and turns and wrong pathways can be avoided, so it is beyond doubt that they are worthwhile. Of course, we are aware that when borrowing the progressive experience of other places, problems with adjustment to the local conditions must be overcome. It is also necessary to take into account the differences with local conditions, culture and systems. In fact, no one would be so naïve as to transplant or apply wholesale the experience of other places rigidly, even though

such experience may be successful in its place of origin. I say this because I hope this Report on the visit to the Republic of Korea can be discussed on the basis of this understanding.

Last year, the Government struck a downbeat note from the outset by citing such excuses as "the subject is complex and would have far-reaching implications on society and the economy of Hong Kong" and "employers, employees and various sectors of the community have divergent views on whether standard working hours should be introduced in Hong Kong" to shirk the responsibility. In the past, when the Government made reference to the experience of other places, it customarily liked to expound on such experience at great length without due regard for the actual situation. For example, when discussing the replacement mechanism for filling a vacancy in the membership of the Legislative Council, it said that the replacement arrangement for filling vacancies in Western countries, such as Germany, Poland and Finland, is replacement from the same party, so it was also reasonable for Hong Kong to adopt this approach. However, it sidestepped such issues as the extent of universal suffrage and the social structure of these countries. It avoided stating why this kind of system and policy would be more suitable for Hong Kong and presenting any arguments. When something is not to its liking, it would use such excuse as "the conditions in Hong Kong are unique, so no comparisons can be made" to evade the issue. I hope the Government, in particular, the Secretary, can look at this Report and listen to the findings of the visit with a pragmatic attitude.

The rise of the Four Little Dragons of Asia, which include Hong Kong and Korea, had its roots in the processing and export industries. In the past two decades, Korea has been taking the path of developing the manufacturing industry, whereas Hong Kong has been taking the path of developing the finance and services industries. Nowadays, together with the other two Little Dragons, Taiwan and Singapore, they are what the International Monetary Fund calls "the four newly industrialized economies". Hong Kong and Korea have taken different paths of development but both have enjoyed continual economic growth and are striving to create jobs. Yet, they are both facing such problems as a large number of unemployed young people. The reason for visiting Korea in person is the fairly similar development and working hours of the two places, such as the rather long working hours at an early stage. However, in Korea, the working hours were reduced by stages to 40 hours per week between 2004 and 2011 and the overtime work undertaken cannot be more than 12 hours per week.

The Report states very clearly that since the implementation of the legislation, the total working hours per person per year in Korea has been reduced from 2 392 hours in 2004 to 2 193 hours in 2010. There is tripartite commitment among the government, employers and employees in Korea to further reduce the working hours of employees in the longer term. This joint commitment is not just empty talk, rather, a clear goal has been laid down to reduce the working hours to 1 800 hours in 2020. After the implementation of this measure, the local economy did not go into recession, rather its per capita GDP rose from US\$21,600 in 2004 to US\$29,000 last year, an increase of 34%.

Last May, a minimum wage was eventually introduced in Hong Kong but if we look in retrospect at the legislative process, with employers holding things back and the Government lacking any vision or commitment, it can be said that all parties were exhausted physically and mentally. Many development opportunities in society were wasted and the basis of trust between employees and employers was eroded. However, in retrospect, the so-called waves of unemployment and business closures as predicted did not occur. At least, I can see that there are more smiles on the faces of many security guards in commercial buildings and their work incentive has also been boosted. The reason is none other than the greater dignity in their living, which gives them a greater sense of happiness.

We advocate standard working hours not because workers want to loaf or earn several thousand dollars less, rather, this is because in a profit-oriented society with a fast pace of life and stressful work, often, workers have to stick it out and work overtime for fear of offending their bosses. What they get in return is physical exhaustion, mental disturbance, loss of emotional control and bickers between husband and wife, thus eventually resulting in family discord and even the incidence of chronic diseases. Therefore, it is hoped that with the implementation of standard working hours, the work pattern can become regular, parents can have time for their children and children can also have time for their family members, thus living up to the true meaning of a happy family. Young workers will then also be able to plan their learning and have the time to pursue their interest, or work as volunteers to help needy socially disadvantaged groups, so that they can have the opportunity to develop a truly meaningful life.

Compared with Korea, Hong Kong does not lack anything. What is lacking is the Government's sense of responsibility for the public, vision and

determination. Korea could introduce standard working hours without any problem, so why cannot Hong Kong? Deputy President, in fact, I hope that in the campaign for standard working hours, the labour sector does not have to use such strong words as "battle front" again and engage in another confrontation. I hope the Government can act like a truly people-oriented Government. In that case, we would be quite satisfied.

With these remarks, Deputy President, I support the motion.

MS LI FUNG-YING (in Cantonese): Deputy President, against the backdrop of the SAR Government putting standard working hours on its policy agenda, in the second half of July last year, the Panel on Manpower of the Legislative Council made a duty visit to the Republic of Korea to gain an understanding of the experience of implementing standard working hours there. That was a valuable opportunity to let Members gain first-hand knowledge of the experience, merits and demerits of implementing a policy in this regard in neighbouring regions, as well as the balancing of the interests of various social strata. This is highly beneficial to the discussion on the policy on standard working hours in Hong Kong in the future.

A minimum wage and standard working hours are the two sides of a coin. When this Council was scrutinizing the Minimum Wage Bill, and even in the debates on standard working hours conducted in this Council, I pointed out time and again the relationship between the two. I do not intend to repeat the relevant arguments here. In the Budget released recently, the Financial Secretary once again crowed about Hong Kong being ranked the world's freest economy by the Heritage Foundation for 18 years in a row, but he would never cite figures to point out that Hong Kong is at the forefront among developed economies of the world in terms of the length of employees' working hours, and that it has been a frontrunner for many years. Not only do long working hours affect the physical and mental well-being of employees, they also affect employees' family life and their care for their children, and even their relationships with their local communities and neighbours. Many people have lived in their homes for almost a decade without even knowing the surnames of their neighbours. Such instances are very common.

One of the reasons for the Panel on Manpower's decision to visit Korea is the fact that both Korea and Hong Kong are among Asia's Four Little Dragons,

and the level of economic development and the number of working hours of these two places are similar. Let us look at the experience of Korea in prescribing standard working hours. The standard working hours in Korea was reduced from 48 hours per week in 1953 to 44 hours per week in 1991, then further to 40 hours per week by stages between 2004 and 2011. Over the past decade, the standard working hours of employees in Korea have been decreasing continually, while the economy has seen sustained growth at the same time. In the past decade or so, automobiles, electronic products and even the culture and food of Korea have become very popular worldwide and in Hong Kong. The fallacy of the criticism that the prescription of standard working hours would harm economic development is all too evident.

Deputy President, although standard working hours at 40 hours per week has been introduced in Korea, the Government, employers and employees there are still exploring proposals to further reduce working hours. There is now tripartite commitment to further reduce the working hours of employees by reducing the working hours from the current level of more than 2 000 hours per annum to about 1 800 hours per annum by 2020.

About this visit to Korea by the Panel on Manpower to understand the issue of enacting legislation on standard working hours, I felt all sorts of emotions. First of all, I lament the fact that no Honourable colleague representing employers or the business sector joined this delegation. At present, the issue of standard working hours has been put on the Government's agenda but it so happened that not a single representative of the business sector and employers in this legislature joined the delegation. This only reflects the hostile attitude of some members of the business sector and employers in Hong Kong towards standard working hours and their refusal to explore how best standard working hours can be implemented in Hong Kong in an open and rational attitude.

In fact, the progress in the rights of employees in Hong Kong is advancing at a snail's pace and some employers often play the role of a stumbling block in historical development. Adverse effects on Hong Kong's competitiveness, damages to the business environment, rise in the unemployment rate, and so on, are their perpetual reasons for opposing making improvements to labour rights, and this is the case from banning child labour, through offering sick leave compensation to employees and establishing the Mandatory Provident Fund, to the setting of a minimum wage. What I lament is that Hong Kong should have

abandoned the attitude of pursuing economic growth single-mindedly long ago, yet some employers in Hong Kong are still sticking to the old rut and impeding social advancement.

Deputy President, in Korea, although the tripartite committee formed by the labour sector, employers and the Government represents the interests of different social strata, they can still hold rational discussions on the working hours and wage levels of workers. In this process, the Government and society in general recognize the importance for employees to strike a balance between work and family life. The Government's role was not a mediator but a policy promoter. History also shows that some representatives of the business sector in Hong Kong have always been opposed to improving employees' rights. If we want to implement standard working hours in Hong Kong, there is no doubt that the Government should play an even more proactive role.

(THE PRESIDENT resumed the Chair)

President, I have no intention of disregarding the complexity of implementing standard working hours in Hong Kong society. In the case of Korea, a work week of 40 hours had to be implemented from 2004 onwards by six stages, and it took seven years before all stages could be implemented. How much time would be needed to implement standard working hours and how can standard working hours be implemented on a full scale in Hong Kong? I believe the labour sector and friends supporting the implementation of standard working hours are all willing to hold rational discussions, but the key lies in the SAR Government's resolve to enact legislation to prescribe standard working hours.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, although I did not join this duty visit to the Republic of Korea, several Honourable colleagues of the Hong Kong Federation of Trade Unions (FTU) did. When the FTU was lobbying for legislation on a minimum wage, it pointed out very clearly that standard working hours and a minimum wage were twins. It can be said that they always come in a pair, and they are related.

On the issue of standard working hours, the direction of lobby of ours in the FTU is eight hours of work a day and 44 hours of work a week. After employees have worked for six hours in a day, they should be allowed to rest for half an hour. The working hours in excess of 44 hours have to be compensated with overtime pay at a rate that is one or 1.5 times of the normal pay. This is what we demand in general. We hope that the authorities can work in this direction and we also hope that legislation can be enacted as soon as possible. This is the direction that the FTU has all along been striving for.

President, it is essential that legislation on standard working hours be enacted. Let us not talk about other kinds of employees. We only need to talk about the many friends of the press sitting on one side of the Chamber. Since they lack the statutory protection of standard working hours, they only have the time for starting work but none for going off work, so they are having the meeting together with us without knowing when they can go off work. If a meeting is lengthy or even lasts several days, they do not even have the chance to have a meal break. Therefore, I believe the reporters outside are staunch supporters of the enactment of legislation on standard working hours.

This past Sunday, Dr PAN Pey-chyou and I organized a signature campaign outside the Sunbeam Theatre in North Point for the cause of saving the theatre. When the signature campaign was in conduct, an incident occurred. An elderly person came up to me and asked us to lobby for early legislation on standard working hours, the reason being that he could not see his daughter even once in a year. I asked him why that was so and why he could not see his daughter even once in a year. He replied that his daughter worked in a foreign insurance firm, responsible for vetting and approving insurance policies. Each night, she had to work until 11 or sometime after midnight. She could go off work only after the last MTR train had departed, so it could be said that she only had a time to go to work but not a time at which she could go off work. She had to work even on Saturdays and Sundays, but her overtime work was not compensated with 100% or 150% of her wage rate.

On hearing this, I asked him why his daughter did not find another job. He replied that although his daughter had switched from one large foreign insurance firm to another several times, there was no improvement. An employer even told her that there was no other way but to resign. This is really a miserable situation. Her salary, together with overtime pay, amounted only to

some \$20,000, so the salary was not at all high. He told me that it was very difficult to see his daughter and chat with her.

Although Hong Kong people are very hardworking, this kind of working condition is most inhuman. I hope that after listening to this live story, Secretary Matthew CHEUNG if he does not believe in this, I can arrange for him to meet this elderly man. This elderly man is willing to have a chat with Secretary Matthew CHEUNG to reflect the situation.

I think this kind of life is really inhuman. Such working conditions are totally unreasonable. Some employers even say that one has no other option but to resign.

After learning about this situation, I think the SAR Government must really consider in earnest the enactment of legislation on standard working hours. However, the present Government has only conducted a study and said that it would submit a report within its term. Yet, the present Government will retire after several months, so what it can do is very limited. I believe the present Government is excessively conservative, so I do not pin much hope on it.

The election of the new Chief Executive will be held soon. The FTU will use the intervening time to lobby the candidates running for the office to squarely address the issue of enacting legislation on standard working hours. In this regard, we only have a humble request, that is, if a candidate for the office of the Chief Executive wants to win our support, he must adopt a proactive attitude towards legislating on standard working hours and he cannot take a retrogressive step from the position of the present Government.

After getting in touch with the candidates running for the office of the Chief Executive and reflecting our demand, we heard Mr LEUNG Chun-ying express his willingness to study whether or not to take on board our view when drawing up his political platform. Of course, we still do not know his actual wording.

On Monday, after Mr Henry TANG had met us, he told reporters that he would take forward the implementation of or the legislation on standard working hours and it was also reported by the press. In this connection, Mr Henry TANG also made reference to this issue in point seven on page 11 of his election

platform entitled "We Are Tomorrow". Although I do not have enough time to quote it here, I welcome the positive responses made by both of them.

On Mr LEE Cheuk-yan's earlier comment that one of the candidates for the post of the Chief Executive, Mr Albert HO, also said that he wanted to take forward the enactment of legislation on standard working hours, I only wish to ask Mr HO to deal with the recent complaint accusing him of being an unscrupulous employer and clarify if he is preaching one thing but practising another. He said that he would not dismiss employees but he was accused of doing so. And later on he said that the employee had retired of his own accord. He was also alleged to have delayed giving double pay to his employees for as many as several years. I hope Mr Albert HO can give an account of this incident and all the circumstances surrounding it openly.

President, we are striving to take forward the enactment of legislation on standard working hours. Thank you.

MS EMILY LAU (in Cantonese): President, I speak in support of Mr LEE Cheuk-yan's motion. This Report of the Panel on Manpower records our visit to Seoul from 24 to 28 July last year. Although I am not a member of the Panel, I also joined this delegation because I consider the rights of workers and employees in Hong Kong very important. Moreover, many members of the public have reflected to me many times that the working hours of their children or family members are too long, thus affecting the family life and health of these employees. Therefore, when I learnt that the Panel was forming a delegation, I signed up for it.

I agree to a large extent with Ms LI Fung-ying's comment just now, that although close to 10 Members joined this delegation, none of them was a representative of employers in the business sector. In fact, this has sent quite a clear message to us, that is, Members representing the business sector in the Legislative Council are not interested in understanding how the legislative exercise on standard working hours was carried out in the Republic of Korea. Just now, a Member also pointed out in his speech that the Secretariat had conducted a research for us to explore the implementation of standard working hours in other places. President, among the Four Little Dragons of Asia, standard working hours have been introduced in the other three places but not in

Hong Kong. Other Asian countries where standard working hours have been introduced include Japan and Malaysia. In addition, the United Kingdom, the United States, Finland, France and Ireland, as well as many other countries, have also adopted this measure.

Among these countries and places, many are our major trading partners. The Government may be more interested in this because whenever something is related to doing business and money, people in the Government would be more interested in learning more. However, on such other issues as employees' rights, it seems they are not at all interested. Anyway, I think it is worthwhile for Hong Kong to make reference to the experience gained from this visit to Korea. Even though the business sector, some wealthy Members or political parties are unwilling to hear more or see more, as some Members said just now, Korea and Hong Kong are different in that the former has a tripartite body in which the Government, the labour sector and the business sector hold joint discussions, so that the representatives of various sides can all truly take part in the discussion.

Let us look at the history of the implementation of standard working hours there. In 1953, employees in Korea had to work 48 hours a week. In 1991, the number of hours was reduced to 44. Subsequently, tripartite discussions began in 2000 and, contrary to the claim made by the Secretary that in-depth and lengthy discussions are necessary, it took only two years of discussion for a report to be submitted to the parliament in 2002, and it was decided that the legislation on standard working hours would be implemented between 2004 and 2011 by six stages. The stages were implemented having regard to the number of employees in companies, starting from those with 1 000 employees, followed by those with 300, 100, 50, 20 and finally, five employees.

However, even though standard working hours have been introduced, it can be noted in page 17 of the Report that in Korea, special provisions are laid down for some situations. For example, the standard working hours for employees in general are eight hours a day and 40 hours a week, and they can undertake overtime work for up to 12 hours. However, pregnant employees are not allowed to work overtime. Working mothers with a child of one year of age or less can work overtime for only up to two hours a day and six hours a week. Youths aged 15 to 18 can only work overtime for one hour a day and up to six hours a week. It can be seen that there are various requirements in this regard.

President, at that time, I also noticed that for the sake of implementing standard working hours, many compromises had been made. We found this less than satisfactory during our discussions. As some Members have pointed out, the upper limit of annual leave in Korea is only 25 days and the original one day's leave with pay per month to which employees were entitled was abolished on the introduction of standard working hours. In addition, the menstruation leave to which female workers were entitled every month was also abolished after the introduction of standard working hours.

Therefore, in fact, various parties have to make compromises. In addition, in some trades and industries, employers and employees can enter into a written agreement after discussions to exempt them from compliance with the requirement of standard working hours. The list of such industries set out in page 19 of the Report is quite long. It includes transportation, goods sales and storage, finance and insurance, movie production and entertainment, communications, educational study and research, advertising, medical and sanitation, hotel and restaurant, incineration and cleaning, barber and beauty parlour and social welfare. The Report points out that these trades and industries employ around 37% of the working population. Therefore, on many matters, it is actually necessary for all parties to make mutual concessions in order to turn a proposal into reality. Anyway, the relevant legislation has been enacted in Korea and as some Members said just now, the per capita GDP there did not decrease; on the contrary, it has been increasing and economic development has also been vibrant. Of course, recently, there are some problems with the economy there, but this is actually inevitable as various places around the world are also caught in such troubles.

Penalties are also prescribed in this regard. It is provided that an employer who violates the relevant legislation is liable to a maximum imprisonment term of two years or a maximum fine of about \$60,000. However, anyone violating the provisions on payment for overtime work is liable to a maximum imprisonment term of three years and a maximum fine of about \$130,000. I think the authorities and the business sector should make reference to this measure.

President, finally, I wish to raise one point. The final part of the Report says that Members note that the Legislative Council does not support inviting government officials to take part in overseas duty visits as the independence of a

delegation may be compromised. However, in the past, when a delegation was organized to visit Japan to study its environmental policy some years ago, government officials were also invited to take part and I do not think this would compromise the independence of the delegation. The relevant government officials can be considered to be the most well-versed in and familiar with government policies, so they can explain the practice in Hong Kong to people overseas immediately, as well as listening to the views of these people and assisting Members in their discussions. Moreover, we are not acting as hosts and they have to pay for these visits out of their own pockets. Therefore, I hope that this kind of delegations are organized in the future, the officials of the departments concerned can also join them.

I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): President, I am also one of the members of this delegation. When we talk about visiting a place with a standard working hour system for reference, we chose the Republic of Korea mainly because we believe that the Korean economy is very similar to that of Hong Kong, so we wanted to go there to see how standard working hours are implemented there.

Just now, many Honourable colleagues talked about the successful direction of Korea and in this process, I discovered the single most important aspect, that is, the determination of the Government there. This is very similar to the point raised by Ms LI Fung-ying: It is necessary for the Government to have determination in order to implement this measure. If the Government lacks the determination, any talk about this would be empty.

Just now, Ms Emily LAU also quoted the Report, saying that Korea had implemented the legislation on standard working hours as early as 1953 to prescribe 48 working hours a week and in 1989, 46 working hours a week was prescribed. By 1991, working hours were set at 44 a week. It seems that after reaching that stage, no further progress could be made for a long time. But this is not the case actually. As Ms Emily LAU said, in 2000, the Korean Government established a tripartite committee called the Special Committee on Reduction of Working Hours comprising of representatives of the Government, employers and employees — it is not just tripartite as public interest groups are

also included. This special committee was established to discuss how to implement the measures to reduce working hours. Therefore, any talk is actually empty and all it takes is to just talk about one single most important thing, that is, the Government's determination. If the Government does not have the determination, it would be futile to talk about anything else.

However, just now, as I listened to Secretary Matthew CHEUNG's speech, I found that there was a major problem. What is it? Just as in the past, when we were lobbying for a minimum wage, the Government cited a host of reasons to tell us that in the final analysis, this would not be feasible. In what way is this infeasible? For example, he said that this issue is very complicated and among the job types in Hong Kong society, it is not known in which ones this will work and in which ones this will not. Moreover, economic development would also be affected. The Government has cited a host of obstacles as the grounds and this is no different from the time when we demanded the introduction of a minimum wage. However, in the end, a minimum wage could still be implemented. Why? In fact, we need to return to the basics — if the Government is determined and willing, everything can be done. Therefore, a lot has been said today, but the problem lies in whether or not the Government has the determination to take it forward.

President, the Government often says that, many problems have arisen in society currently, for example, the workforce is not robust enough and its standard is not high enough, so its skills need to be upgraded. It is also said that families are not harmonious enough and there are many inter-generational problems, so it would be most desirable to do a proper job in education and one of the factors is parent-child education. President, when it comes to skills upgrading and parent-child education, as parents or employees, who do not want to do this sort of things? However, does the reality allow us to do them? If an employee has to spend 12 hours on work, together with the travelling time, he has to spend as many as 13 or 14 hours, so how can he have the time for skills upgrading and learning, and how can he have the time to establish good relationships with his children and assist them in their development? These cannot be done at all.

President, when we discussed the issue of standard working hours in the former Legislative Council Building, I talked about a case. What was that case? A security guard waited for me at the entrance of the Legislative Council

Building, asking me for assurance that I would talk about his situation in the meeting. He recounted his plight, that is, he could not fulfil the duty of being a husband. He said he had to work for 12 hours a day and in fact, it was more than that because security guards had to arrive at their workplace 15 minutes early and stay behind for 15 minutes, so that made 12.5 hours in total. Together with the travelling time of one to two hours, he was away from home for 14 or 15 hours a day. On arrival at home and after taking a bath and eating something, how many hours are left? Only five to six hours or six to seven hours are left for him to sleep, so there is practically no chance for him to have any intimacy with his wife. That is why he said he could not fulfil the duty of a husband. This is a real case and he related this story to me with great distress, asking me to talk about it in the legislature. However, after I had talked about this story on the last occasion, the Secretary just treated it as wind blowing by the ears, as though nothing had happened. This is not just an individual problem, it is also a social problem.

We often say that people in the next generation are not performing well academically, so some teachers ask why parents do not help. However, parents say, "Not that I do not want to help but how can I find the time to help? My working hours are so long, so how can I help?" There are many problems of this kind. Not that the Government does not understand the social problems caused by long working hours, but is it really determined to solve these problems?

On the Korean experience, I am not going to talk about anything else but at least, there is the willingness to establish a committee comprising various parties to deal with this issue. More than that, the Korean Government also has the determination and this point is even more important. The Korean Government even said that after the introduction of the regulation on working hours, if companies can reduce working hours earlier than scheduled, it is willing to provide financial assistance or subsidies to some small and medium enterprises (SMEs), so as to increase the incentive for them to effect the reduction of working hours as soon as possible. Therefore, we can see how great a determination the Korean Government has. However, our Government is not like this as it just keeps saying that the problem is very complicated and very difficult, as it did in the discussion on the introduction of a minimum wage. However, the so-called complicated problems relating to the introduction of a minimum wage were eventually resolved once and for all, and what is the main reason for this? Because the Government summoned up its determination.

This being so, I cannot help asking the Government if, given the comprehensiveness of our Report and the presence of such desirable experience, which is not confined to Korea alone but also found in other countries, the Government will summon up its determination.

MR ALAN LEONG (in Cantonese): President, just now, Mr LEUNG Yiu-chung said that when standard working hours were introduced in the Republic of Korea, the Government there would offer incentives to SMEs. I think what he meant must surely be the reference in the Report to a subsidy rated at \$12,300 per person per quarter paid by the Government to SMEs that launched the new working hour system at least six months earlier than the scheduled timetable under the law. This helped SMEs made the transition because all of a sudden, there may be less workers to do the work and as a result, employers had to pay additional wages. For this reason, such a transitional incentive was offered to induce SMEs to implement the standard working hour system as soon as possible.

President, this tells us that so long as the direction of standard working hours is set, there is actually no need to remain inflexible, stick to a predetermined approach and insist that a certain approach but not others must be taken. If we care to read the Report on the visit to Korea, we will find that there can be a lot of room for manoeuvre, such as the subsidy mentioned by me just now, or turning the menstruation leave with pay for female employees into leave without pay, as mentioned by Ms Emily LAU just now. In fact, it is possible to be mutually accommodating. We can see a highly flexible and tactical approach for putting into practice the concept of standard working hours.

In Hong Kong, President, in meetings of the Legislative Council in the past, Members have moved motions on a number of occasions to urge the Government to study and prescribe standard working hours. However, each time, the motions were negated by Members from the functional constituencies. The business sector harbours the idea — of course, if we look at the experience of Korea, such an idea is perhaps misguided — that after the implementation of standard working hours, the competitiveness of the Hong Kong labour market would surely suffer and costs would surely rise, thus affecting the business environment. However, many Members in the legislature have already pointed out that this is not the experience of Korea. Quite the contrary, in the Korean

experience, after the introduction of standard working hours, the development of many enterprises has fared even better.

However, if we turn this into reality, it would not do just to talk about it in one line, as the Chief Executive did in his last policy address, saying that a study on the feasibility of introducing standard working hours would be implemented. It sounds as though a ray of hope is shining on the campaign for workers' rights but in fact, this remark made by him is most hollow. There is neither a roadmap nor any direction, so this is little different from issuing a cheque that cannot be honoured.

Reading the Report on the visit to Korea prepared by the delegation, we will find that the Korean Government plays a vital role in the implementation of standard working hours. It has to bring employer and employee groups together, so that they can work towards the same goal by working out a feasible approach, rather than saying casually that a study is being conducted or that there is great difficulty, then just sit here and wait for luck to strike. It should not be like this because the Government must play a role. The Report on the visit to Korea gives us a very clear summary of the experience, that is, the role of the Government is important.

President, this is very simple. The Report mentions some measures taken by the Korean Government in respect of standard working hours. For example, if one works in excess of the 40 hours of standard working hours, 150% of the normal wage rate will be paid but it was not necessary to pay 150% as soon as this measure is implemented. The Korean Government selected the industries, large corporations and organizations for progressive implementation of this measure. For example, during the first three years in which the working hours were reduced gradually, if employees worked overtime, there was no need to pay them 150% of the wage rate from the outset, indeed, the wage rate could be 125% of the original rate. Then, the wage rate for overtime work was increased progressively. Therefore, there is no need to always follow the same rules and insist on a certain approach. Instead, we can take account of the situation and various industries, organizations and companies in Hong Kong, then introduce corresponding measures and actions with flexibility and tact. However, to implement standard working hours, the Government must show its determination as well as its commitment to this.

Therefore, after reading the Report of this Council on the visit to Korea, a lot can indeed be learnt. We do not necessarily have to borrow everything, nor should we copy the various approaches adopted by Korea. We must not just follow everything to the letter, rather, we should learn their spirit, that is, if we want to implement this policy and introduce standard working hours, the Government should assume leadership, then all parties must set aside their prejudices and find a way.

President, apart from supporting a minimum wage all along, the Civic Party also believes that a study on standard working hours must be conducted. If not, setting a minimum wage without prescribing standard working hours would not serve the intended purposes at all. Therefore, we hope very much that the experience described in the Report of this delegation can serve as an example for the Government, employers and employee groups, so that a feasible policy on standard working hours can be developed for Hong Kong on this basis.

MR RONNY TONG (in Cantonese): President, the subject of standard working hours has actually been discussed in the legislature for quite a long time and in the past two years, it has been discussed on as many as four occasions, the last one being last week. When Mr Andrew LEUNG moved his motion on an industrial policy last week, I moved an amendment to request a study on standard working hours and statutory holidays. I remember clearly that when I spoke last week, Mr Andrew LEUNG stood up — it is a shame that he is not present today — and said, to this effect "The amendment proposed by Mr Ronny TONG is really interesting. He has spoken for 10 minutes, but he has not talked about the industrial policy in any way. Why is he allowed to propose such an amendment?" Perhaps the comments made by Mr Andrew LEUNG have hit the nail on the head with regard to the problem faced by Hong Kong nowadays.

President, my amendment last week was fortunate enough to be passed without going through a division, so it shows that the great majority of Honourable colleagues in the legislature agree that Hong Kong should examine the prescription of standard working hours. However, Mr Andrew LEUNG's comments also highlighted a phenomenon that cannot be denied, that is, many bosses think that employees are not part of an industrial policy, so they think that discussing standard working hours is to stray far from the subject. They think that an industrial policy is about what advantages and actual benefits the

Government can give the business sector, and that is all. As regards employees' welfare and the state of their families, or how to make employees work for an industry more efficiently, these are not part of an industrial policy. Therefore, they believe that any discussion on standard working hours is totally irrelevant to the subject.

President, I think this is precisely an area to which the Secretary, various Honourable colleague and members of the community have to pay attention in discussing this subject. I believe the leading members and bosses of the industrial sector all have to think about this carefully and realize that employees are actually very important to their businesses. If employees feel aggrieved and do not work cheerfully, even if they are asked to work 10 hours or 12 hours, frankly speaking, they would still find a way to loaf on the job or go slow in their work, and it is ultimately bosses who will suffer and in turn, so will the whole industry. Therefore, I think one very important area of concern is — I hope the Secretary can also give this consideration — how to instil in bosses of the business sector the social concepts that they ought to have, so that they will realize the very important factor of employee welfare to their success.

President, I have talked at length about what I consider to be the overriding principles, but many employers find these comments displeasing and even consider them irrelevant. In addition, I also wish to share with Members the information that I have in hand. President, recently, the figures released by the Census and Statistics Department in the Quarterly Report on General Household Survey are really quite shocking. According to the Third Quarter Report of 2011, the median number of hours of work for both men and women in Hong Kong is 45 hours. President, please note that I am talking about the median, not the average. If men and women are considered under different categories, men's working hours are longer, with the median working hours per week standing at 48, while it is 44 hours for women.

On the distribution of working hours, 15% of the wage earners work 50 to 54 hours a week, so this is quite shocking. President, 7.6% of the wage earners even work as many as 60 to 64 hours a week, almost on a par with those of Legislative Council Members. How do these working hours compare with the international standard? President, it is fortunate that our Honourable colleagues have gone to Korea for a visit and learnt that the standard working hours in Korea

had decreased from 48 hours a week in 1953 to 44 hours a week in 1991, and then further by stages between 2004 and 2011 to 40 hours a week.

However, as many Honourable colleagues have pointed out, a reduction from 48 hours to 40 hours means a reduction of eight hours per week. President, in that case, has the Korean economy gone downhill, declining by 8%, 18% or even 80%? The answer is in the negative. The economic situation in Korea is there for all to see. Korea dealt with the issue of standard working hours by reducing them progressively by six stages. I think Hong Kong can definitely borrow its experience. If we look at the situation in Hong Kong, the job types with the longest working hours are the retail, accommodation and food services sector, being 51 hours a week; for plant and machine operators and assemblers, the working hours are 50 a week, whereas for manufacturing, construction, service workers and shop sales workers as well as those engaged in elementary occupations, the working hours are 48 hours a week. In other words, there are not many job types with working hours that meet internationally accepted standards.

Many people may query if standard working hours means imposing standardized working hours on each and every industry rigidly. President, of course, they would be standardized. However, I believe that when dealing with this subject, the employers and employees in various trades and industries can be allowed to make different arrangements for the distribution of working hours. This can be allowed. As regards the question of whether or not the introduction of standard working hours would mean that the wages would surely drop in tandem, President, I cannot agree readily with this because at present, we already have the legislation on minimum wage and the calculation of minimum wage is based on the number of hours worked. I believe that the prescription of standard working hours would not be at odds with the legislation on minimum wage and that doing so will really serve to protect the welfare of employees. President, I support this motion. Thank you.

DR PAN PEY-CHYOU (in Cantonese): President, I believe Sam HUI, also known as "God of songs", is a household name in Hong Kong. In fact, he is my idol, and I am one of his fans. When I was a Secondary One student in Ying Wa College, I saw a young man on the campus on the first day of the school term. I

did not know he was the key singer of a band appearing frequently on the television until I talked about him later with my classmates.

In the 1970s and 1980s, Sam HUI wrote and sang many hugely popular songs voicing the grievances of the ordinary masses. I believe we all were deeply impressed by one of his songs called "Half a Catty Eight Taels". A few lines of the song read, to this effect, "At a time when it is so difficult to make a living, how can we expect eight taels in return for half a catty." It can be said that these lyrics, which are deeply rooted in people's mind, reflect the grievances of many wage earners.

During the discussion on standard working hours today, many colleagues have talked about how to reduce working hours, so that wage earners can spend more time with their family members. I would like to point out, however, that the essence of the standard working hours we are talking about actually lies in "half a catty eight taels". Wage earners should receive exactly "eight taels" in return for "half a catty" of labour done.

The standard working hours advocated by the FTU are 44 hours per week. In short, if overtime work is required, as pointed out by Mr WONG Kwok-hing just now, an overtime allowance of not less than 150% should be paid. Given that there is no ceiling on working hours and with the consent of both wage earners and their employers, the former can work as long as they like without any limit. Maximum working hours with a ceiling are simply not the standard working hours advocated by us. It is perfectly fair for overtime work to be rewarded with overtime allowance.

Thanks to this "150% overtime allowance" mechanism, employers no longer compel their employees to work overtime without reward. As the former have to consider the cost factor, working hours will be adjusted moderately. Nevertheless, many bosses will still raise many objections to such a fair request. One of the objections raised is, due to the implementation of standard working hours, their employees will slow down their pace, thus becoming lazy people. In fact, as everyone knows, this is a management issue. If the workers really are lazy and irresponsible, punishment can be imposed on them. If necessary, a worker can even be dismissed if he is found to be unreasonable. Therefore, this is simply not a reason.

The second excuse is that the income of workers will consequently be reduced. Please bear in mind that we are talking about standard working hours, not maximum working hours. The actual number of working hours and the duration of overtime work are mutually agreed by both employees and employers. There is no problem with the number of working hours. Such being the case, why will the income be reduced?

The third excuse is, should standard working hours be implemented, the costs of enterprises will be driven up, thereby driving many of them out of business or forcing them out of Hong Kong. This is sheer sophistry.

Why did I say that it is sheer sophistry? The experience gained by the Panel of Manpower of the Legislative Council during its duty visit to Korea can precisely break this sophistry. During the period between 2001 and 2011, in addition to the maximum working hours, Korea implemented standard working hours of 40 per week progressively over 10 years. The fundamental spirit was to put in place an "overtime allowance" mechanism for overtime work on top of standard working hours. What happened during this period? Between 1999 and 2010, the average working hours dropped 11.5%, and between 2001 and 2010, Korea's per capita GDP (in terms of purchasing power parity) rose by 60%, from US\$18,151 to US\$29,004 per capita per annum. With the rise in workers' production value, their income will naturally increase. Hence, why will their income be reduced? During these 10 years, has Korea seen any large-scale closures or relocations? I believe all the discerning people can see that such things have never happened.

Hence, I would like to advise our friends who are bosses to cease burying their heads in the sand and using these excuses which cannot conceal the facts to deceive themselves as well as others. It is the aspiration of the wage earners all over the world to receive exactly "eight taels" in return for "half a catty" of labour done. If they can receive exactly "eight taels", then both employers and employees will be put on an equal footing. The working hours of wage earners will naturally not keep rising unreasonably.

I have recently learnt that Sam HUI will hold a concert this year. I have no intention to do any publicity. Nevertheless, I find the theme of his concert, called "斤兩十足" (meaning "a fair deal"), most interesting. It would be marvelous if such a dream can really come true. I hope legislation can be

enacted on standard working hours, following the minimum wage, at an early date. I also hope, after the enactment of the legislation, the wage earners in Hong Kong can receive "fair" wages from then on.

With these remarks, I support the original motion.

MR IP WAI-MING (in Cantonese): President, several colleagues of mine have already talked about the views of the FTU. Here I would like to share my views on the visit to the Republic of Korea. Regarding the allusion to "a fair deal" just now, I am afraid, despite the verbal promise of giving 10 taels, only four taels will actually be paid.

We consider it a valuable experience to visit the Republic of Korea to inspect the implementation of standard working hours and enforcement of law there. Quite a number of people from the industrial and commercial sectors have a phobia of standard working hours, thinking that standard working hours will cause enormous damage. They might probably still be clinging to the mentality of the capitalists more than a century ago, thinking that workers, like machines, can only bring them profits through working incessantly. Obviously, this is a backward mentality of business operation without thinking about how profits can be increased through upgrading the quality and efficiency of manpower.

Earlier, we stated at the outset that an overtime allowance must be paid for overtime work. In fact, the prescription of standard working hours is precisely meant to protect the right of employees to receive compensation after working overtime. The Korean experience tells us that prescribing standard working hours can achieve a win-win situation. Likewise, shorter working hours can lead to economic growth and increased profits of enterprises. Meanwhile, workers can enjoy reasonable rest periods and be rewarded for their overtime work. In the Report submitted by us, it was pointed out that the per capita Gross National Product was US\$21,630 when Korea introduced the 40-hour week in the first phase in 2004, but it rose to US\$29,000 in 2010.

If standard working hours are really so evil that industrial and commercial enterprises have to cease operation, wind up or go into bankruptcy, I believe the

enterprises in Korea would have opposed or even overturned the relevant policies a long time ago, and the people there would also have expressed discontent. However, as pointed out by Dr PAN just now, it has turned out to be the opposite. As such, we consider the Korean experience worthy reference for us, particularly people in the commercial and industrial sectors. But regrettably, the visit was not participated by any Members with industrial and commercial backgrounds. As for the discussion today, I can see that, except Mr Vincent FANG, all Members of the commercial and industrial sectors, who should be sitting in front of me, are absent. I find this extremely regrettable. I hope these Members can read the relevant Report or even make a duty visit to Korea themselves to change their mindset, so that they will stop rejecting standard working hours.

President, enterprises in Korea had actually expressed concerns prior to the enactment of legislation on standard working hours, but at least they were willing to discuss with the labour unions and the Government and came up with the phased-implementation approach. It is extremely worthwhile for us to borrow this method. Currently, the standard working hours in Korea are 40 hours per week. Since the 2004, Korea had spent seven years working towards achieving this, and the last phase was implemented last year. Under the approach of implementing standard working hours in phases, the priority of implementation is based on the scale of business of the enterprises. The first phase, which covered enterprises with 1 000 or more employees, financial and insurance organizations and national investment bodies, was progressively extended to enterprises with fewer employees, so as to bring change to the social atmosphere.

In fact, following the implementation of standard working hours, the average number of working hours per annum of workers in Korea in recent years has generally been reduced. According to the statistics published by the Organization for Economic Co-operation and Development, the average number of working hours per annum in 1999 was 2 495, but it was reduced to 2 392 in 2004 and further to 2 193 in 2010. It is thus evident that the prescription of standard working hours is obviously beneficial to wage earners in getting adequate rest. During the meetings and exchanges, we noted that the implementation of standard working hours had given rise to more part-time jobs and job opportunities. However, the income of employees had not seen any reduction or marked changes as a result.

Instead of preventing wage earners from working overtime, the implementation of standard working hours is aimed at requiring employers to offer reasonable wages or compensation after employees have worked overtime to enable them to enjoy a balanced life. Hong Kong is a society in which white-collar and even blue-collar employees are working overtime without reward. It is most ironic indeed that wage earners have to strive to work late before they can be considered hardworking.

President, in order to encourage the implementation of standard working hours, the Korean Government has launched quite a number of incentives. For instance, during the first three years in which the 40-hour work week is implemented, the wage rate for the first four hours of overtime work is reduced from 150% to 125%, and if small and medium enterprises can bring forward the new working hours system by at least six months, they may receive an allowance until they are required by law to implement the 40-hour work week. In addition to the Government, labour unions have also made concessions whereby employers are allowed to offer compensatory leave in lieu of compensation for overtime work, the flexible working hours system is extended, and so on.

The Korean example tells us that, so long as employees, employers and the Government subscribe to the concept of standard working hours, they may jointly explore the method of implementation and, on the basis of mutual understanding and accommodation, achieve a win-win situation for both the enterprises and employees.

We in the FTU welcome the positive attitude demonstrated by the two candidates for the Chief Executive Election towards standard working hours. What is lacking now is the support from employers. Hence, we once again express our hope for friends in the commercial and industrial sectors and colleagues to gain a clear understanding of the concept of standard working hours and discuss jointly with the labour unions and the Government the implementation standard working hours. Furthermore, I would like to advise Secretary Matthew CHEUNG to demonstrate his courage. Should the Secretary be able to enact legislation on standard working hours, I believe we in the labour unions will support him in serving another term.

Thank you.

MR PAUL TSE (in Cantonese): President, besides Mr Vincent FANG, there are still other Members from the commercial and industrial sectors in the Chamber listening to his speech. Just now, Mr IP Wai-ming said that, except Mr Vincent FANG, no Members from the commercial and industrial sectors were present here. Is he required to clarify that remark?

PRESIDENT (in Cantonese): Although you disagree with Mr IP, he needs not make any clarification. If you wish to speak later, you can certainly respond to his remarks.

MR IP WAI-MING (in Cantonese): President, I do not have an objection if Mr Paul TSE considers himself a Member from the commercial and industrial sectors.

PRESIDENT (in Cantonese): Mr IP, you have used up your speaking time. The debate should not continue.

MR IP KWOK-HIM (in Cantonese): President, during our discussion on the motion "Expediently implementing the formulation of standard working hours" in the old Legislative Council Building on 22 June last year, we agreed that the Government should step up efforts in studying the issue of standard working hours. In this connection, the Panel on Manpower made a duty visit to the Republic of Korea in July last year to borrow its experience in implementing standard working hours. Following the formal implementation of the minimum wage in May last year, the economic and labour environment in society has experienced a series of subtle changes, which will have an impact on the enactment of legislation on standard working hours in the future. As such, the Government should study and pay more attention to it, and I will comment on this today.

First of all, according to the information provided by the Census and Statistics Department, the number of median weekly working hours of Hong Kong people was 46 in the third quarter of last year, one hour less than the 47 hours in the first quarter. The ratio of workers working long hours had also

fallen with the ratio of employees working more than 60 hours a week dropping from 19.3% in the first quarter of last year to 18.1% in the third quarter. The community generally believes that the minimum wage has prompted employers to reduce the working hours of their workers to prevent them from failing to meet the requirements of the minimum wage because of excessively long working hours.

Second, upon the implementation of the minimum wage, the working hours of low-skilled jobs have generally been shortened. Employers in general tend to employ more part-time and casual workers and shorten working hours in order to rein in wages and costs. This phenomenon is attributed mainly to the fragmentation and part-time strategies adopted by employers in staff recruitment having regard to the implementation of the legislation. It has been reported that in order to save costs, Fairwood, a fast-food chain, has recruited a large number of part-time workers, and the ratio of part-timers has risen from 2% in the past to 30% at present. The number of part-time jobs on the market has also increased substantially in the retail, catering and cleaning service sectors, where the situation is particularly critical. The phenomenon of low-skilled employees doing casual or part-time jobs has seriously affected their income and affordability. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) very much hopes that the Government can study, after the implementation of the minimum wage, whether there is any connection between the phenomenon of low-skilled employees doing casual or part-time jobs and the falling trend of the working hours of workers. The Government should also look into and study the impact of the enactment of legislation on standard working hours on low-skilled employees doing casual or part-time jobs upon the implementation of the minimum wage.

Third, according to the Government's projection, the GDP growth will slow down from 3% to 1% in 2012. Following the obvious worsening of the external environment, the negative impacts of the sovereignty debt crisis of the Euro zone on the global economy will be seen one after another. With the rising pressure of the unemployment rate, employers might become more cautious in recruiting staff. What is more, the fragmentation of employees will tend to worsen.

It is imperative for the Government to conduct a comprehensive and in-depth study on whether the implementation of standard working hours will bring changes to the structure of the employment market, and whether such

changes will have an even more significant impact on the operating costs and environment and competitive edge of enterprises in Hong Kong than the statutory minimum wage. And it should seriously make reference to the experience of overseas countries, including the Republic of Korea, and examine what is worthy lessons in the introduction and implementation of policies can be learnt. We very much hope that the Government can seriously study this Report to make predictions on the various social issues that may arise from the legislation on standard working hours.

The DAB considers that various sectors of the community must exercise extra care and caution, rather than acting indiscreetly, in discussing the implementation of standard working hours. We must learn from the experience in making some omissions during our scrutiny of the Minimum Wage Bill which resulted in some disputes that could otherwise have been avoided, such as those over whether the rest days and meal breaks should be paid. During the studies and discussions on standard working hours, the Government must give employees, employers and itself ample time for discussion and provide members of the public and the community with adequate channels to relay a wide range of different views to avoid the emergence of grey areas again, so that the entire review and even the enactment of legislation will be better able to reflect Hong Kong's current situation. Given that the purpose of this discussion is to note the Report of the Panel on Manpower to study the experience in the implementation of standard working hours in Korea, the DAB supports this motion.

Thank you, President.

MR FREDERICK FUNG (in Cantonese): President, it is probably due to the imminent Chief Executive Election that the issue of standard working hours has been raised again recently. But this time around, the issue of standard working hours has been exploited by a political group claiming to "exert their utmost in fighting for labour interests" as a tool to "conceal the facts and present only half the picture". Given their fears of placing a wrong bet and the need to wait for clear instructions from "Grandpa", they have used "the ambiguous attitude of the two pro-establishment candidates towards standard working hours is even more backward than that of the incumbent Government" as an excuse to refuse stating their position on which candidate they will support. Such a calculating approach

of using the most crucial issue of people's livelihood as a political trick is putting the cart before the horse, an attempt to blur the focus. It is bitterly chilling.

President, if they really take standard working hours seriously, they should make concerted efforts with pan-democratic Members in supporting openly the pan-democratic candidate in the Chief Executive Election, because the pan-democratic camp has right from the beginning included standard working hours as part of its political platform and regarded standard working hours as one of the policies the future Government must implement. I hope this political group, which uses campaigning for the rights and well-being of wage earners as its promotion tactic, can think and act in the same way, relinquish its prejudices, and make concerted efforts with pro-democracy Members in campaigning for the early implementation of standard working hours.

President, I have repeatedly emphasized that the prescription of a minimum wage, which is the core of the entire labour rights campaign, can manifest the significant change in Hong Kong's social value, that is, allowing the free market to prevail over everything in the direction of affirming workers' dignity and the value of labour. Likewise, the prescription of standard working hours, which is another core of the labour rights campaign, will have an even more extensive and far-reaching impact, in terms of both its scope and the positive influence on the livelihood of each and every employee. This will be the key battle line of the Hong Kong Association for Democracy and People's Livelihood and all political parties and organs concerned about labour rights.

President, although the Chief Executive announced in the 2010-2011 Policy Address that a policy study would be launched on the issue of standard working hours, there is a complete lack of transparency and no timetable for enactment of legislation and implementation. I consider the study merely a superficial effort to deflate the strong aspirations of the community, with the actual purpose being procrastinating the matter. In this connection, the Panel on Manpower of the Legislative Council embarked on a duty visit to Korea as well as this study as a matter of obligation, underpinned by an attitude more serious and pragmatic than that of the Government. The purpose was to obtain first-hand information on the Korean experience in implementing standard working hours and learning from its practical experience in order to really pave the way for the implementation of standard working hours in Hong Kong in the future.

President, Hong Kong has wasted a lot of time in entangling itself in the issue of standard working hours for years and sacrificed the valuable health of countless wage earners and the time they should have spent with their family members. It is a pity that the commercial and industrial sectors have been blocking the way by frequently citing that the implementation of standard working hours will undermine the flexibility of the labour market and adversely affect Hong Kong's business environment and competitive edge as an excuse to stand shoulder to shoulder with the Government in excluding standard working hours from the agenda, thereby preventing many discussions on standard working hours from being held. It is extremely worthwhile for the community to gain an understanding of and conduct in-depth discussions on topics ranging from the fostering of a consensus in society to the establishment of a channel for frank communication between employers and workers, the actual number of standard working hours, the arrangements for overtime pay, the scope of exemption, and so on.

Through today's debate, I hope Members can gain a clear understanding of the actual experience gained by Korea in its implementation of standard working hours, which will in turn enable the community to gain an understanding of standard working hours and realize that they are no scourge. Standard working hours will bring benefits to the physical and mental health of employees and have positive impacts on families and even social lives. What is more, they will not undermine the flexibility of the labour market and hurt Hong Kong's economic vitality.

The delegation's Report has summed up the experience gained by Korea in its implementation of standard working hours. President, the Korean approach, which is worthy reference to us, has provided Hong Kong with valuable experience in prescribing standard working hours. If a tripartite discussion among the Government, employers and employees can be activated expeditiously, it is possible for an agreement to be reached on a basic framework for standard working hours.

Standard working hours are implemented in Korea in stages. I may give an account more detailed than that given by Members who have spoken. The number of standard working hours in Korea was reduced from 49 hours a week in 1953 to 44 hours a week in 1991 and further to 40 hours a week by six stages over a period of seven years from 2004 to 2011 in major companies and

organizations. As the Korean Government realized that the implementation of a shorter work week would have a greater impact on small and labour-intensive enterprises, the latter were given a longer transitional period to adapt to the new arrangement. Such a phased arrangement for large and small enterprises is worthy of our consideration.

Besides the aforesaid valuable experience, a more important point is the urgency of prescribing standard working hours and public recognition. In fact, Hong Kong people have been suffocated by the pressure of long working hours. In the past, it was pointed out in many statistical data and surveys that more than 40% of the employees in Hong Kong worked 50 hours or more a week, with 700 000 of them even working 60 hours or more a week. While this situation might reflect how hardworking wage earners in Hong Kong were, it had, on the other hand, reflected that employers were accustomed to abusing their edge in taking advantage of the goodwill of their employees to do everything without complaint, thus exploiting the family lives and rest breaks of wage earners.

Hence, members of the public must realize that the importance of standard working hours lies in rectifying wage earners' current unfavorable situation, so that they can truly strike a balance between their work and family lives. This will have a crucial and positive effect on the physical and mental health of individuals and the well-being and sustainable development of the community.

With these remarks, President, I support the motion.

MS CYD HO (in Cantonese): President, we always say that we have to maintain our competitive edge. The Republic of Korea is actually our major rival in Asia. This is why it is appropriate for the Panel on Manpower to go to Korea and study the implementation of standard working hours there. The Report compiled afterwards leaves us with a big question mark. Since Korea is our rival, why can it prescribe standard working hours at 40 hours a week but we cannot do it? It can be seen from some figures that although this rival of ours has enacted laws to implement standard working hours of 40 hours per week, its economic performance is not bad at all. Korea ranks 15th among the countries in the world in terms of GDP, and it ranks the 12th in terms of purchasing power, the seventh in terms of exports and the 10th in imports.

All these are figures about rankings, so what is the actual situation? Korea produces its own cars. The automobile producer Hyundai used to have few customers for its cars produced initially. The customers did not like its substandard engines but now it is the most popular car in North America for the year 2012. In terms of telecommunications technology, the Samsung mobile phones can stand on an equal footing as the iPhones of Apple Inc. and Samsung phones have certain functions which are not found in the iPhones even. And that is in the electronic book technology which is very user-friendly.

Since Koreans have more time to spare now, they have a greater demand for creative and cultural industries. So we can see that their creative industries such as television series or movies, have begun to catch up in recent years. These industries were fuelled by domestic demand initially and later grew to products exported to other countries. We can see that there will be a positive impact on both society and the economy if we can outlaw long working hours and implement standard working hours of 40 hours per week.

As we look back at the situation in Hong Kong, we can see that things are indeed no good here. President, in the past when factories had to rush to complete orders, the wages for many factory workers, both male and female, were calculated at piece rates or daily rates. If orders had to be completed in a rush, the factory manager who received a monthly salary would lock up the gate of the factory and the workers were not allowed to leave. In this way they were forced to work overtime. Although workers could earn more money, it could be said to be quite inhuman considering the physical exertion they had to make. Then of course, as the laws were amended later, there was a ceiling on overtime work for a year. But at the same time, the manufacturing industries began to move out of Hong Kong. So that piece of legislation had come too late.

Now the factories do not have a gate as such that they can lock up, but we can still see overtime work going on. Actually, this has spread from factory workers to clerical and professional staff. Now even though there is no gate here, people do not dare to leave the office when the time for work has officially ended. Worse still, people have to bring their work home and in this way homes have become workplaces.

The Census and Statistics Department publishes Special Topics Reports and in Report No. 50, that is, a report compiled from the data collected from the

General Household Survey for the year 2008, the findings show that in the working population of Hong Kong, only 16% who have worked overtime are recompensed by wages or overtime allowance. Also, 6.4% are recompensed by time-off in lieu; 69.3% do not have any overtime allowance or any form of compensation. Please do not think workers in the manufacturing industries and the construction industry fare the worst. The report shows that 54% of those who work in the manufacturing industries do not have any compensation while there are 58% of such people in the construction industry. The worst are people working in the finance, insurance, real estate and commercial services, and 76.7% of these people work overtime without any compensation. There are 70.9% of those in the community, social and personal services who work overtime without compensation. Actually, these are clerical, executive and professional staff. It is because of this kind of endless competition in the market and the Government's refusal to enact legislation to regulate working hours that workers are exploited and bullied. Then the professionals and executives also suffer the same thing.

But is our economy growing much better than Korea? We often say that we have to attach importance to the family. We can see that in Korea, after the implementation of standard working hours — actually we can refer to some information and as Ms Emily LAU said earlier, there are limits to overtime work taken up by working mothers with children under the age of one every day and every week. These are very family-friendly measures which are most specific. As for Hong Kong, we are only making empty talks about family-friendly plans without doing anything concrete.

The Government always says that there are many SMEs in Hong Kong which may not be able to cope with this kind of improvements in workers' welfare. But we can see that when Korea resolved to put this into practice, it implemented standard working hours in phases from 2004 to 2011. Then in the end, even those small enterprises with five or more employees can implement this system of standard working hours of 40 hours per week. Why does the Republic of Korea have such remarkable economic performance? Why can they do it but we cannot?

The root of the problem is that the business sector would rather pay exorbitant rentals. Mr Vincent FANG used to have his flagship store in the Entertainment Plaza in Central and he was forced to move out because rents rose to a few million dollars a year. So we are all preys to the real estate

hegemonists. In order to lower operation costs, the employees are bullied because they are the easiest ones to bully and they have no power to resist. In such circumstances, we can see that employees do not have any bargaining power at all. The Government must therefore step in and enact legislation. It is only through legislation that people's quality of life can be changed, that they can have better physical and mental health, and that support from the family can be enhanced, thus benefiting the performance of the economy as a whole eventually.

MR VINCENT FANG (in Cantonese): President, the Labour and Welfare Bureau has recently launched a study on the topic of standard working hours and it is intended that the findings will be submitted before the expiry of this term of the Government to the Labour Advisory Board (LAB) for discussion. Today, Mr LEE Cheuk-yan has proposed a motion debate on the Report of the delegation of the Panel on Manpower to study the experience in the implementation of standard working hours in the Republic of Korea. It is obvious that the motion is proposed in preparation for the discussions to be held in the LAB in June.

Why am I saying this? This is because the Report is very positive about the implementation of standard working hours. For example, it is mentioned in the Report that after the Republic of Korea has reduced the weekly standard working hours to 40, no serious impact has ever been caused on the enterprises. The per capita growth in GDP continues and it is expected that productivity will also be on the rise. It is therefore clear that the Report lavishes praises on the Korean experience in implementing standard working hours.

Both Hong Kong and Korea are among the "Four Small Dragons" of Asia and those who support standard working hours will ask: When other people can do it, why can this not be done in Hong Kong? We all know that the economic structures of Hong Kong and Korea are different. In Hong Kong, the emphasis is on service industries which account for 93% of the GDP. But in Korea, industries are as important as the service industries and their economy is a mixed one. Both components account for 45% and 55% of the GDP respectively.

Standard working hours or maximum working hours are actually products of industrialization and they originated from the attempt to address the problem of monotonous mass production. In the service industries, the emphasis is not on physical exertion but on flexibility and comprehensive customer service. So

there are vast differences between the two in terms of manpower needs and mode of operation. What this Report is trying to do is to forcibly apply the Korean model of a dual economy into Hong Kong which stresses the service industries. This is in effect comparing apples to oranges, and there is little significance in doing so.

In fact, the issue of standard working hours can be divided into maximum working hours and regulation of working hours. Maximum working hours impose a ceiling on all trades and industries across the board and no allowance is permitted as a means of compensating overtime work done. The approach is quite rigid. The regulation of working hours permits the use of overtime allowance or time-off in lieu as a means to recompense overtime work done. In Korea, these two modes actually operate at the same time. On top of that, 12 types of service industries are exempted from the restriction of no overtime work of more than 12 hours a week.

No matter which mode is chosen, it will either reduce greatly the flexibility and adaptability of the enterprises or add greatly to the costs of operation. This is especially the case in Hong Kong where more than 90% of the enterprises are SMEs. Once standard working hours are introduced, it will greatly add to the wage costs and many SMEs will be forced to close down.

In addition, the working hours of trades like accounting, consultancy and research services cannot easily be quantified like the manufacturing industries. It would be very difficult to set up a system of standard working hours for these trades. While the Report sings praises of the implementation of standard working hours in Korea, it also points out that it has made many enterprises hire more part-time staff and there has been no marked increase in the income of employees, and so on. In other words, the income which a full-time employee should have made by working overtime is earned by the part-time worker.

The vicious results produced by standard working hours on the labour market have long been exposed in the Western countries. The most recent example is Greece where austerity measures have just been passed. In Greece, high labour costs are one of the main causes for the country being stuck in a debt crisis.

To solve the social problems caused by long working hours, there must be talks among the Government, employers and employees. Efforts must be made to promote family-friendly measures or flexible working hours. These will allay the worries of the employees and increase the time they can spare to spend with their families. At a time like this when the European debt crisis looms large and when the United States economy is deep in the doldrums, the economic outlook for Hong Kong cannot be said to be rosy at all. On top of these, we started to implement the minimum wage last May and this initiative has produced a devastating impact on the enterprises, many of which are struggling hard to survive. In my opinion, before any consensus is reached in society on the issue of standard working hours, we should not rashly put it into practice. Candidates for the Chief Executive Election should be more sensitive to the plight of the SMEs at present, as well as the practical situation in Hong Kong. They must never waver in their principles just to canvass votes and make a pledge off-handedly that after being elected they will study the issue of implementing standard working hours. It is because the result could well be that our competitiveness will be affected and no progress can be made in the business sector.

With these remarks, President, I oppose the implementation of standard working hours.

MR WONG SING-CHI (in Cantonese): President, the main reason for Mr LEE Cheuk-yan proposing this motion today is to urge the Government to implement the policy of standard working hours. Insofar as this issue is concerned, we are very grateful to friends in the labour sector for bringing it up in this Council so persistently throughout all these years. But unfortunately, even with the support of the pan-democratic camp and many other Members, the Government has been making delays in implementing standard working hours.

President, studies undertaken by various organizations all show that workplace conditions bear a very close relationship with family life. In particular, working hours will obviously affect family life. In 2010, the Hong Kong Council of Social Service published a report entitled *Social Development Index* and stated *inter alia* for many years the Family Solidarity Sub-index of Hong Kong has recorded negative figures. And for the past 10 years, this Sub-index has worsened by 10 times. As pointed out by many members of the

public responding to the survey, factors like workplace conditions, working hours, and so on, have made them unable to take care of their families. The communication with family members is thus overlooked and often they may have an outburst of temper on their family members because they are too tired or because of some other problems. Some even ended in divorce. So President, if it is the intention of the authorities that families should break up and family relations continue to worsen, then standard working hours should not be imposed and the large number of workers affected should be just asked to continue to endure their suffering.

President, I can even find a term in the Wikipedia called "Karoshi" which is Japanese for death from overwork. It means that people will work non-stop until they cannot bear it or that work is piling up on them that they have to work non-stop and bear the pressure of it. They will easily develop many kinds of ailments or health problems such as heart diseases and stroke which are caused by overwork or pressure. In fact, many workers are prone to this Karoshi. But unfortunately, when they go for a check-up at the advanced stages of it, the hospitals will only say that they have heart diseases or suffered from a stroke. No mention is made of Karoshi as an illness. However, if you would care to do some research, you will find that many of this kind of problems actually stem from over fatigue.

We can also learn from Wikipedia how this Karoshi can be prevented. It turns out that the solution is easy enough and, that is, to stipulate in law a ceiling on the number of working hours every day, week and month. The idea is to prescribe standard working hours so as to reduce the chances of people dying from over fatigue. According to many publications, surveys and articles written by scholars, if a person has to face excessive work or fails to take any rest or if he suffers over fatigue, he will have many health problems. So for the sake of the health of our workers and for the sake of giving them some more comfortable conditions at work, I hope the Secretary can really put into practice a policy on standard working hours and make the necessary arrangements.

President, we can also see problems like a rising divorce rate and prevalent family problems like violence, and so on. Figures related to these problems have never gone down and from my experience of working in many districts, many people do not have enough time to care for their family members because they work excessively long hours.

President, I recall that during the time from 2004 to 2008 when I was not in the Legislative Council, nor in the District Council, although I was only working some odd jobs, taking care of my son and doing the household chores, I was very happy. Because I did not work overtime and even though I might have much work to do sometimes, I did not have to work overtime. I had better control of my time. I was with my son during all those four years when he grew from the age of 13 to 17. At that time, my son was quite rebellious like many young people of his age, and during these four years I could find that as I was with him all the time and as I had the time to take care of him, he did well in school for he had the care from his family. Now he is in the United States and I am back in the Legislative Council. I do not have to spend a lot of time taking care of him now and things have gone somewhat better. Now I have to spend a lot of time on my work, but I do not have to spend too much time taking care of my son. And so no disruption is caused to my family relations. If things were reversed during that period of time, that is, when I was still working in the Legislative Council from 2004 to 2008, and if I had to work as I do now, that is, getting up at 6.30 am in the morning and working until well past 10 pm in the night and not leaving the office at 11 pm, then I do not know how I can take care of my family and son. I am therefore very worried about our young people because their parents have to work all the time and cannot take care of them, so there will be many things lacking during their development.

President, this is only my personal experience. I really hope that workers in Hong Kong do not have to work excessively such that they cannot take care of the family when their children are at a rebellious age, that is, around 13 or 14 years of age. President, for the sake of our young people, our families and the health of the workers, we consider that the Government must not only care about some abstract factors like financial pressure, cost implications or differences of our economy from that of Korea, and so on, and delay arbitrarily the policy of prescribing standard working hours. This is not a good thing at all for our workers, our families and society as a whole.

President, I hope the Secretary can listen clearly the experience which Members have gained from the Republic of Korea and the justifications advanced by us all through these many years and implement a policy on standard working hours as soon as possible.

Thank you, President.

MR WONG YUK-MAN (in Cantonese): President, the Panel on Manpower formed a delegation and paid a duty visit to the Republic of Korea from 24 to 28 July 2011 to study the Korean experience in implementing standard working hours. As working hours in Korea and Hong Kong are quite similar and workers in both places work long hours as a matter of convention, so the successful experience of Korea is worthy reference for Hong Kong. As a Legislative Council Member from the People Power, I am also very much concerned about this issue and so I went with the delegation. But when I look back at the situation here in Hong Kong, I can only give a sigh as we have achieved nothing.

When Chief Executive Donald TSANG delivered his Policy Address in October 2010, he pointed out that with the Minimum Wage Ordinance coming into force, there was a view in society that it was the right time to start a policy study on standard working hours. Now he is about to step down and such remarks mean that the issue will be delayed, being bureaucratic talk meant just to fool the people. The Union Bank of Switzerland, an international financial institution, conducted a survey in 2006 on the salary levels, working hours and consumption power of employees in 71 cities in the world. It was found that wage earners in Hong Kong worked 2 231 hours a year. The number is more than 20% higher than the global average and 50 days more than people in Western Europe. This is really an inhuman life to lead.

As early as 1953 Korea passed the Labor Standards Act and initially it was provided that workers in Korea should work eight hours a day and 48 hours a week. But the effect was not marked. According to figures from the Organisation for Economic Co-operation and Development (OECD), in 1997, employees in Korea worked an average of 2 582 hours a year while the yearly average working hours in the member countries of the OECD was 1 841 hours. The working hours of workers in Korea ranked among the highest in the world. In 2000, the Korean Government, the trade unions and employers began to hold discussions on the topic of reducing the working hours. A basic agreement was subsequently reached on reducing the working hours and a report was submitted to the Government in 2002. Korea succeeded in reducing the working hours from 48 hours a week in 1953 to 44 hours a week in 1991. And during the period from 2004 to 2011, working hours were further reduced by stages to 40 hours a week in line with international standard. But the economy of Korea maintained its growth during the same period. In 2010, employees in Korea

worked an average of 2 193 hours a year. Although the figure is still far from being satisfactory, it represents a reduction of nearly 400 hours as compared to the figure in 1997 and it can be considered a marked improvement.

When we say that we should draw reference from the example of Korea, we are not saying that the country has achieved a success in protecting labour rights and so we should learn from it. What we should learn from Korea is the smooth legislative process and in the process, the three parties of employers, employees and the Government — as described by the authorities there — could reach an agreement easily. The implementation of standard working hours in Korea began with the enterprises, large enterprises. It was followed by the medium-sized enterprises and finally the small enterprises. So it started with the large enterprises in an order according to the size of enterprises. But in Hong Kong, the practice adopted by the large enterprises is exactly the opposite. It can therefore be seen that this is the reason why Korea has succeeded in implementing standard working hours.

So we must never advance the excuse that the situation here is different from that in Korea. Although there are really some differences, the differences are that the capitalists there do not practise exploitation while our capitalists aimed at reaping hefty profits by exploitation. This is the difference. We practise an extreme rightist form of capitalism and that is clear enough.

The duty visit report carries very substantial contents. I would just like to mention a few points in brief to show that the arguments advanced by those who oppose standard working hours are just clichés, entirely groundless.

Some people say that standard working hours will damage the business environment and competitiveness. Just take a look at the Korean example. According to the view of the Ministry of Employment and Labor there and the Korea Labor Institute, the reduction in working hours has not constituted any serious burden on the enterprises and there is no evidence to date showing that the implementation of a 40-hour work week has produced any significant impact on the per capita GDP. The per capita GDP of Korea in terms of purchasing power has been going up ever since the country implemented a 40-hour work week in 2004, that is, from US\$21,630 to US\$29,003 in 2010. It can therefore be seen that there is no necessary causal relationship between the implementation of standard working hours and damage to the economy.

Some people say that standard working hours will push up the unemployment rate. In 1997 as a result of the Asian financial turmoil, there was massive unemployment in Korea. There was a strong demand from trade unions and the public to urge the Government to reduce the statutory working hours and create more jobs.

The Korean Tripartite Commission is a presidential advisory body established as the official social communication channel among the Government, employers, labour and public interest groups. We visited the Commission as well. In 20 October 2000, it announced that a basic agreement had been reached on the reduction of working hours. One item in the agreement is that the reduction in working hours will be promoted in this way: Reducing the working hours can benefit workers and employers because apart from enhancing the quality of life and creativity in the workers, it can enable the workers to have more chances of employment, further studies and training. By enhancing the productivity of the workers, the industries can become more competitive. Such is the consensus reached by the three parties of employees, employers and the Government.

Mr LEE Dong-eung of the Korea Employers Federation said — we paid a visit to him too — that with the implementation of standard working hours, the Korean society had developed greater demands for sports activities and entertainment business. From this it can be seen that the relationship between standard working hours and the employment rate cannot be lumped together for a sweeping conclusion.

Some other people think that standard working hours will lead to a reduction in the income of employees. According to Honourable KIM Sung-soon of the Environment and Labor Committee of the National Assembly, the findings of the surveys on the enterprises concerned show that after the reduction in standard working hours, there has been no marked change in the income of employees.

In addition, some people say that standard working hours will definitely affect the SMEs in an adverse manner. But according to the relevant studies done, this situation will not happen.

Nowadays, we can all see very clearly the damage done by the absence of standard working hours in Hong Kong. I just want to say that the attitude

displayed by the Government is the same as before, and that is, to delay as long as possible. What the Secretary has said in his opening remarks is utterly rubbish. We do not pin any hopes on this Government. When this issue of standard working hours is brought up again in this Chamber today, we are only voicing our concern for the working class with the small and humble voice we have under this system of gross injustice. President, that is all.

MRS REGINA IP (in Cantonese): President, I am grateful to Mr LEE Cheuk-yan for proposing this motion after paying a visit to Korea, so that we can debate the topic of standard working hours.

First of all, I would like to say that when I newly joined the Legislative Council, I heard some people talk about standard working hours, and that time I did not quite understand what it was exactly. This is because since childhood I have not had any idea of standard working hours. Although I am not young, as I reckon it, I still work 84 hours a week. Generally speaking, I work 12 hours a day and seven days a week. I enjoy it. Speaking from my personality, I do not understand why there are people who are so adverse to long working hours. Of course, among the people I know, I am not the only one who is like that. This applies also to my daughter. Apart from that, there are many people who are like that.

If it is said that the prescription of standard working hours is like resorting to legislative or administrative means to prohibit people from working hard, I would think that the argument is flawed. After listening to the speeches made by so many Members, I see that they do not have this idea in mind and what they are doing is to protect the disadvantaged workers. As we have learnt from the newspapers, there are some drivers who have accidents because of overwork. These stories are tragic, and we should help them. But are standard working hours such a simple thing? As many Honourable colleagues have mentioned earlier, there are many trades, especially those high value-added ones — actually those high and low value-added service industries — in which the people have to work long hours actually.

Let us talk about those high value-added service industries such as the investment banks in the financial sector, private placement, accounting, consultancy service, and so on. These trades require frequent business trips and

those in the trades do not have any standard working hours. Their pay has taken into account their need to travel overseas frequently and long working hours. The remuneration they are given is adequate. Those who engage in such work know very well that they should not be in such trades if they are not physically fit enough.

Certainly, we should protect workers who are disadvantaged so that they will not be exploited by their bosses to such an extent that they do not have any rest time or family time, or that they will suffer from fatigue. As we can read often in the newspapers, many drivers have accidents because of fatigue. This should be a cause of concern to us. But I would think we have to consider the following points if we wish to legislate or promote anything related to the issue.

First, I do not think we can borrow the experience of Korea. Earlier in the debate some Honourable colleagues have said that Korea is our competitor. This is not correct in the economic sense. Korea and Hong Kong are two very different economies. Mr Vincent FANG also said earlier that in Korea, the manufacturing industries account for a very large share and there are also high-end manufacturing industries there. An example is that the Samsung mobile phone company has the capabilities to file a lawsuit against the Apple Inc. and Samsung is vying with the Apple Inc. for a greater market share. Korea has succeeded in its economic restructuring and it now has knowledge-based high-end manufacturing industries and the service industries account for a very small share of its economy only. For other kinds of electronic products, in particular, online games and such like software products, Korea has already overtaken Japan as a global forerunner. Officials in Hong Kong like to boast that our economy is knowledge-based, but actually we are no match for Korea.

Hong Kong is primarily a service-oriented economy and speaking of this kind of economy, I can only say with a sense of shame that despite the remarks made by the Financial Secretary and other senior officials boasting that there is full employment in Hong Kong, I can see that the economic growth gained in these past few years has actually only led to some expansion in the low-end service industries. That is to say, in selling handbags and watches to Mainland tourists and in the catering industry. These trades might even make us feel inferior in some sense. We do not produce that many kinds of high-end service industries. I think Members can check the figures. Even in the financial sector — in fact a Member once raised an oral question on it — Singapore creates a

larger number of financial positions than we do and we are losing more and more of such positions in the financial sector.

In other words, most of the service industries we have are by nature still low-end. The financial industry has only hired 6% of the working population of Hong Kong. Many employees in the service industries have to work long hours. Certainly, their employers should give them enough pay and rest time before the management is considered good. Owing to this reason, and based on the job types we have and the nature of our economy, we cannot adopt an across-the-board approach to introduce standard working hours.

Second, we must consider the impact on the SMEs. It seems that there has been no significant impact in tandem with the imposition of a minimum wage. But that is because our economy was booming when the measure was introduced. In fact, we have heard many views expressed in society, stating that the large enterprises are not afraid of the minimum wage and it is the small enterprises that bear the brunt of it. These small enterprises have to face exorbitant rentals and rises in wages and they are already struggling hard for survival. If the issue of standard working hours is hastily debated before the expiry of the current term of the SAR Government and then pushed through the Labour Advisory Board in a hurry, it will only add to the burden of the SMEs. In my opinion, this is a most dangerous act.

Our Financial Secretary and the Chief Executive always tell us that they are very worried. The Chief Executive already expressed his concern in Davos. He said that he had never felt so concerned before, but now Hong Kong might have to face some major economic upheavals of a global magnitude. If at this moment in time we turn a blind eye to the situation of the SMEs and the special characteristics of our economy and push through the policy of standard working hours hastily, this is to me a most dangerous act. Therefore, the issue warrants further study. We need to protect the disadvantaged workers. But if we think we can emulate Korea and consider its experience a good example and if the Korean experience is regarded as the right model for the implementation of standard working hours, then I do not think I can agree to that.

Thank you, President.

MR PAUL CHAN (in Cantonese): President, I speak in support of the Report of the Panel on Manpower. For two years in a row, the current Legislative Council has debated motions on standard working hours. In the debates on either the motion moved by Dr LEUNG Ka-lau who is about to become a father on urging the Government to legislate on standard working hours, and the motion moved by Mr IP Wai-ming urging the Government to impose standard working hours expeditiously, I all gave them my support.

In these two motion debates, I made use of the opportunities to talk about the situation in the accounting profession to which I belong. I think the people who need such protection are not just the workers mentioned by Mrs Regina IP just now. It is because in certain service industries and professions, those new entrants who are in the lower ranks and who have to move upwards have to face very unfair conditions.

In this past Chinese New Year I sent an electronic greeting card to people in my constituency and wished them that they could get off work punctually and do not have to work overtime without pay. The line caused great repercussions in the sector, especially among the young people. It can be seen that this situation of working overtime without pay is very common. What does it mean exactly? It means working overtime but not getting any overtime allowance. As a matter of fact, these young people cannot leave the office punctually and they have to do overtime work without pay. Some even say that they do not even dare to think about it.

President, I remember in June last year I mentioned in my speech about a young man who worked in one of the "Big Four" accounting firms. He has to make frequent business trips and work overtime till very late at night, that is, he can only get off work at 2 am or 3 am. This young man ended up being hospitalized for one month. He lost more than 10 pounds because of pain in the lower back and he could not move. At last, this young man left that accounting firm. I also mentioned last time that there were some female accountants who did not dare to get pregnant for fear that working too hard might lead to a miscarriage. They thought that even if they did not get a miscarriage, their babies would be weak. All these are problems we see so often. Some young people, who are the children of my friends and work in accounting firms, have to work till 2 am or 3 am before they can leave the office. And they have to get

back to work next morning at 8 am or 9 am. Some of them have to work for a long-term basis on the Mainland.

Although it is said that there is nothing new about wage earners working overtime, just imagine if they work like this all the time to such an extent that their health is ruined and they are unable to enjoy family life, then what is the point of working? What is the meaning of life? If there is no compensation for overtime work done, I think this is all the more unacceptable.

Last year, I mentioned here that there were some employers who had this mentality of somewhat like those mother-in-laws in a Cantonese movie of the bygone years. It is because some people may think that they too had this sort of experience when they were young and they have worked hard to get to their position now, that is, as a partner or the boss. So the young people should also work as hard. In my opinion, working hard now is very different from working hard in the past. By that I mean, given a situation without any standard working hours, what we can see in my profession is that in a bid to solicit business, the boss will slash the fees charged. But the boss does not want to put himself in a disadvantageous position and so the cost pressure as a result of the cut in fees is exerted level by level downwards. The result is that the young people are forced to work overtime without getting any compensation. Is that fair at all?

In recent years, some people who are my seniors and friends and some of them are even partners of some big accounting firms feel very sad, when they see their children who have joined the accountancy firms have to work so hard. They begin to query whether it is right to work overtime like this. Can we therefore put ourselves in the shoes of these young people and address this problem?

Korea was chosen as the destination of the duty visit because by convention, both Korea and Hong Kong are places with long working hours. But in Korea, ever since the country had imposed a 48-hour work week in 1953, it has also reduced the standard working hours to 40 hours a week in seven years and by stages. This is worthy reference in the study. The people of Hong Kong do not cherish hopes that the standard working hours can be set at 40 hours a week. This is unrealistic. But we need to address this problem of excessive exploitation. Ever since the outbreak of the financial turmoil in 1997, employees in every trade are all very worried about layoffs, and so they would

just accept overtime work out of sheer reluctance. This sort of excessive exploitation still exists in many trades, including the accountancy and banking sectors. The pendulum has not yet swung back to the original position, which is most unfair. So I think the problem should be addressed and solved squarely.

If we look at the example of Korea, we can see that the country has succeeded in reducing standard working hours to 40 hours a week after seven years. But its per capita GDP has not fallen but risen on the contrary. It is not bad at all when compared to Hong Kong. Also, after the implementation of standard working hours in Korea, there has been no significant impact on the SMEs. There has been no negative change in its competitiveness too. After the implementation of standard working hours, there has been a greater demand for sports activities and the entertainment business, employees have more time to spend with their families and they have more time for entertainment. In sum, their quality of life has seen some upgrading.

President, before the minimum wage was implemented, many people were worried that this policy would affect the business environment and the SMEs. In retrospect today, we can see that the effects have not been as serious as imagined. Now in terms of employment, we can say that there is almost full employment in Hong Kong. I wish to repeat what I said on that day when I spoke in support of legislating for a minimum wage. At that time I said: If to our great surprise we find out the reason why we are selling hamburgers far cheaper than other people do, we have exploited workers who have relatively weak bargaining power, that does not mean that we are competitive. It only shows how ugly we are.

Thank you, President. I so submit.

MR JEFFREY LAM (in Cantonese): President, it has been almost nine months now after the minimum wage was implemented and many people have found that there has been great mobility among waiters in the restaurants. I have heard some bosses say that many waiters have changed jobs to work as security guards or in the property management trade. They said that since the salary they get from working as security guards or staff in property management is about the same as working in a Chinese restaurant, they would rather work a job which is more comfortable. This is one of the effects on some trades after the

implementation of the minimum wage. This serious wastage of staff in the restaurant trade is a headache for the bosses of many restaurants.

In addition, I can see that in the end of last year some SMEs decided to close down. It was because of the implementation of the minimum wage policy, plus the fact that they could not get any loans from the banks and found it difficult to collect payments from their clients on unsettled bills. They could also see that there were great uncertainties in the global economic situation. So at this time when society has not yet absorbed all the impacts of the minimum wage, if we were to introduce standard working hours, we think that it would cause tension in labour relations and make the business sector, especially the SMEs, feel that they cannot bear it.

Secretary Matthew CHEUNG has said that the issue of standard working hours is far more complicated than minimum wage, and that its prescription will not necessarily be beneficial to society as a whole. This is a point shared by many academics. Take the example of the property management trade which many grass-roots workers like to work in, the implementation of standard working hours will make the costs of these property management companies to rise further. To whom will the increase in costs be transferred ultimately? The answer is the public. So if the Government is to introduce standard working hours, labour relations will certainly be challenged, and the prices of food in the restaurants and management fees will definitely rise again and again. The result is that a heavier burden will be imposed on the public. All these are not beneficial to society at all.

Likewise, when the Hong Kong Institute of Human Resource Management published the findings of the first survey it conducted on standard working hours last year, it was found that more than half of the companies interviewed were opposed to legislating on standard working hours. These companies were worried that the flexibility and productivity of the enterprises would be affected. Among the trades and industries, all those companies from the business sector or professional services interviewed opposed the introduction of standard working hours. The second group of trades which opposed it most strongly came from the catering industry and the tourism industry. Almost 90% of the practitioners were against it. Some people in the sector concerned pointed out that the calculation of working hours would be very complicated. It was because the staff would have to go abroad to inspect the samples very often or make

purchases. How should the overtime work be calculated? If they have to pay an extra 50% of the salary to these staff, can the company operate at all? So there are many problems for which no answers have been found and no consensus has been reached in society yet.

The duty visit made by the Panel to study the implementation of standard working hours in Korea should be able to serve some reference purpose. But the economy of Hong Kong is chiefly characterized by value-added service industries and it would be difficult to pursue dual-track development like Korea in the manufacturing and service industries. And it is also not easy to quantify work performance in the service industries like it is in the manufacturing industries.

As we draw reference from the example of Korea, we can also do the same with other places. An example is Greece. The prescription of standard working hours there has affected their economy and the overall employment situation. So the SAR Government must take into account the unique character of our economy and working culture in considering the Report.

President, I think the prescription of standard working hours will not only affect the productivity of the enterprises but also bring a heavier pressure to bear on the enterprises which are already experiencing a manpower shortage now. I do not agree that standard working hours should be prescribed at this time.

President, I so submit.

MR ALBERT CHAN (in Cantonese): President, the speech from the Administration on the prescription of standard working hours is full of clichés. The speech shows the negligence of some technocrats towards the basic needs of humans and on the other hand, it shows that this Government which is formed as a result of a small-circle election only knows to protect the interest of the small circle and the vested interests.

This Government formed as a result of a small-circle election can be said to reflect the hegemonies of the real estate developers and the financiers. These with vested interests work through their influence on the Government and even manipulate its policymaking. Therefore, any attempt to protect the interests of the working class is barking up the wrong tree. If only the people are not awake

and if they do not come out and fight for their fundamental rights, the people, especially the working class, will only continue to be the tools and even slaves for these hegemonists from the real estate and financial sectors to make money.

The life of many people in Hong Kong does not differ very much from that of a slave. Just look at Africa, South America or the time of the negro slaves in the United States. The people here in Hong Kong are enslaved by these hegemonists in real estate and finance and they do the kinds of work dictated by these hegemonists. The place they live is even worse than that of the negro slaves living in the Deep South of the United States in the nineteenth century. In those days the negro slaves worked from dawn to dusk in the cotton fields. In Hong Kong, many people and those in the working class also have to work from morning till night. Apart from sleep — and it could well be that they only sleep five to six hours — they have to toil for a living for the rest of their time. So there is little difference in the nature of their life from that of a slave. Of course, they have freedom of movement and other liberties and by all appearances these cannot be said to be the qualities of a slave. But as seen from the pattern of their life, the arrangements and other details, actually their life is like those slaves in the past found in those places mentioned by me just now.

President, let us look at the International Covenants on Human Rights. Article 7 of The International Covenant on Economic, Social and Cultural Rights states that "The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular: Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays." The Basic Law also affirms it. Article 39 of the Basic Law makes special mention that the provisions of the International Covenant on Economic, Social and Cultural Rights shall be implemented in Hong Kong. As a matter of fact, we can see that many countries which pay due respect to the implementation of this International Covenant have imposed restrictions on working hours.

But in Hong Kong, only the civil servants enjoy limits in working hours. This is because they have trade unions and so basically, these 160 000 civil servants enjoy protection in this regard. Their salaries are on the whole higher than those working in ordinary companies and they get greater protection. Our top officials have great powers and enjoy a salary of a few million dollars a year. They will never care about the sufferings of those who earn a meagre salary.

And there are many top officials who enjoy vacations and wines, and when they feast with the tycoons, they have delicacies like fried rice with gold leaf. Do you not think that this is a decadent life? When these top officials eat with the rich and powerful, they can savour a dish of fried rice with gold leaf. I think this is something never dreamed of by the ordinary masses. I do not think that stuff like this is healthy at all.

President, coming back to labour rights and a basic, humane and acceptable way of life, the Government does have a basic humanitarian duty. I am not talking with you people about public responsibilities and other ideological issues, I just want to talk about the most fundamental attitude we should have as human beings. If you do not even have this kind of humanitarian stand which is the most fundamental thing of all, I can say that you have no trace of humanity in you. You want to satisfy these hegemonists of the real estate and finance sectors, as well as the demands of these vested interests. But you cannot simply neglect humanity, can you? How can you allow the common masses and the working class lead a life no better than that of a slave? As top officials and when you witness the hardship of the people, how can you sit back and pretend that nothing has happened while enjoying a salary of \$3 million to \$4 million a year? You see these problems with your own eyes, but you are not moved. You have not shown any reaction stemming from your humanity and you have never tried to change this state of affairs. When you have these rights, you should have this responsibility. And if you do not act in fulfilment of this responsibility, it only shows that there is no speck of humanity in you and that you are completely blind to the predicament of the people. You have the powers but you do not use them and you do nothing when there is a need to do something. You are condoning these zaibatsu and hegemonists. You are perpetuating exploitation, tyranny and oppression.

So I appeal to the people of Hong Kong, and in fact we have done it many times already. If they do not wake up and be politically more conscious, they will just continue to be bullied.

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

MR ANDREW CHENG (in Cantonese): President, even today, colleagues who oppose or have reservations about standard working hours still put forward the same old reasons. I think one of the reasons is really unbearable to the ears. After I had become a Member of the Legislative Council before the reunification, the first motion debate that I proposed then in 1995 was about legislating for standard working hours. If my memory has not failed me, the motion was eventually passed as there was no separate voting at the time.

However, Members opposing the motion or the introduction of legislation to regulate standard working hours still maintained that standard working hours must not be implemented too quickly, adding that standard working hours cannot be implemented too rashly, that this practice is not suitable for Hong Kong, that more studies are required, and so on.

From 1995 to this year of 2012, 17 years have passed. I am a professional lawyer, and I have my own law firm and employees. When I proposed that motion for debate back then, I told my partner that we must set standard working hours. Of course, my partner was at first a bit resistant to it but eventually, we implemented standard working hours successfully.

Today, many colleagues still argue that legislating for standard working hours would put great pressure on small and medium enterprises (SMEs). President, I am also the boss of a SME, and my marriage celebrant service company I do understand the pressure on many SMEs. But I will continue to insist on it, because as a boss, I think human nature obliges me to show understanding and sympathy for employees by allowing them sufficient time for rest and leisure.

What is the heaviest pressure faced by SMEs? Mr Jeffrey LAM said in his speech earlier that standard working hours should not be implemented because the minimum wage had already caused great distress to employers and coupled with the implementation of standard working hours, the employers would not be able to stand it. During the discussion on the enactment of legislation on minimum wage back then, some people had put up similar arguments to scare us, warning that many companies would wind up, that many local bistro cafés would close down, and that many people would become jobless. But do we see any of these happening now? We are now discussing standard working hours, and they

have once again advanced similar excuses and reverted to the same rhetoric and ideas to scare us.

President, rental constitutes the biggest difficulty faced by SMEs. Just look at the financial accounts of my law firm and many SMEs and Members will see that rental takes up 70% to 80% or even more of the expenditure. To SMEs that do not take on any staff, their rental even accounts for 80% to 90% of the expenditure, which means that almost all of their income is spent on rental payment.

But now, we are not finding ways to address the problem squarely and worse still, we are making the working class with no bargaining power share the cost and exploiting them. President I think this is basically inhuman. We, as human beings, should go by principles, and while we, being bosses, would wish to make greater profits, wage earners would wish that in contributing their labour, they can get a reasonable return. Hong Kong should not maintain its competitiveness through exploitation of the workforce. It is not in line with the standard of an advanced society like Hong Kong to maintain competitiveness by means of exploitation.

I have listened attentively to the speech made by Mr Paul CHAN earlier, and I am glad to hear his remarks. I hope Mr Paul CHAN will talk to LEUNG Chun-ying whom he supports, and I hope Henry TANG's supporters will do the same. They should tell the duo, who have suddenly become concerned about the people's livelihood, not to beat about the bush on legislating for standard working hours and evade the issue on the pretext that further studies are required.

Frankly speaking, when a political figure says that it is necessary to conduct studies or consultation, it shows that he has reservations. If he firmly believes something is right, he will certainly include it in his platform. On the question of legislating for standard working hours (be it 44 hours a week or 48 hours a week), he must write it down expressly in order for a debate to be carried out. Insofar as livelihood issues are concerned (such as introducing legislation to regulate standard working hours), I urge them not to make superficial vows that they are working in the interest of the grassroots but at the same time dodging this issue by saying that it is a complicated issue requiring consultation or that it is not expedient for them to make comments in their capacity as candidates of the Chief Executive Election.

President, how infuriating it is indeed! In other words, even if he were elected, he would continue to adopt stalling tactics, just as how my motion passed 17 years ago was treated. That said, I would like to know what will happen after LEUNG Chun-ying is elected as the Chief Executive. I would like to know how the new collusion between business and the Government will be like, because I am very tired of seeing the Henry TANG-styled collusion between business and the Government.

Turning to LEUNG Chun-ying, we can see that he is forging ahead bravely without any thought of turning back, fighting for the people's livelihood as if he is "possessed by universal suffrage". Such being the case, if he were elected, how would he introduce legislation to regulate standard working hours? I am very interested in knowing what he would do. How would he face the hegemony of property developers then, in order to resolve the deep-rooted conflicts on the economic front?

I would advise Mr Paul CHAN Even though I agree to everything he said earlier, I hope that his speech (about setting standard working hours and legislating for it expeditiously) can become part of LEUNG Chun-ying's election platform, rather than just empty words.

President, I really very much hope that this speech made by me today is the last speech I make in this Chamber in my capacity as a Member of the Legislative Council on legislating for standard working hours. Over a decade has passed, whether on the question of minimum wage or standard working hours, the opposing Members have still resisted legislation with the suffocating exploitative mindset of the business sector.

As a professional lawyer and the boss of a SME, I wish to tender a piece of advice to leaders of the business sector or people representing business interests: Do not underestimate the conscience of the SME employers, as they may support legislating for standard working hours, just as they supported the setting of a statutory minimum wage.

Thank you, President.

MR CHAN KIN-POR (in Cantonese): President, I originally had no intention to speak but seeing Mr Andrew CHENG react so agitatedly, I would like to say a few words. As Members all know, I have always supported minimum wage and standard working hours. This may be related to my experience, as we did start out from the most junior positions back in those years and so, we very much understand the hardships and plights of employees working elementary jobs.

That said, I would like to say that we do not necessarily have to discuss whether or not we should show humanity, just as Mr Andrew CHENG did. I think some Members in this Council have relayed the difficulties of the industries, seeking only to reflect the situation of businesses in the industries. Of course, some people Most people think that they obviously do everything with conscience but they also need to convey the actual difficulties in work and business operation. So, I think it is unnecessary to be so agitated.

But still, I wish to talk about the prescription of standard working hours. I think many employers must consider one point and that is, they must not just look at the expenditure, because standard working hours do not mean restricting the working hours of employees. If we understand it more clearly, some management staff can actually be exempted as they can opt out. Besides, if standard working hours are truly implemented, employers will have to pay more in staff wages, which will certainly increase the cost. But I hope Members will not forget that if employees are happier at work and their family is also happy, they are less likely to seize any opportunity to take sick leave. Moreover, if they have the support of their family, they will be able to strike a better balance between life and work and this is, after all, beneficial to their family and to the company. Although there will be some immediate effects, this will definitely benefit the company in the long run. I believe standard working hours will eventually be implemented in society, but it has to go through a certain process and will be gradually achieved ultimately.

However, even if we look at the example of the Republic of Korea, we will see that they have adopted some transitional measures to allow time for employers to adapt to the new measure. Therefore, Members do not have to be too worried. I believe the authorities, in taking forward standard working hours, will have regard to the effects on all sides. I personally consider that standard working hours must be implemented. Likewise, the measures for providing support to the minimum wage must also be implemented.

But in the course of implementation, how can the impact on business operators or small businesses be mitigated? I think major enterprises are very willing to pay wages for OT (overtime) work and they have all been doing so already, but the SMEs are indeed facing a very big problem in cost. I agree that rental has indeed accounted for a significant part of the operational expenses but we cannot underestimate the impact of the implementation of standard working hours as a next step on enterprises.

Therefore, I think that while the Government must definitely implement standard working hours, it should also consider introducing some transitional measures and implement them gradually. Only in this way can a balance be struck among the interests of all sides, so that all sides will be willing to accept it. The Government must not implement this measure just because it is under great pressure. Rather, it must come up with a proposal which is acceptable to both sides and justify it with sound reasons, so that everyone will do it willingly. Certainly, even though the proposal is very well justified, there will still be a small number of diehard opponents who will not accept it anyway. We can do nothing about this, but I believe if it is fair to put in place this system, the majority of employers, whether they are SME employers or others, will accept it. This will be most conducive to labour-management co-operation. For these reasons, I reiterate that I support the prescription of standard working hours. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, I have said in this Chamber before that a trait for anyone taking up the office of the Chief Executive is shamelessness, and he must become all the more shameless in order to be the Chief Executive.

On the question of the maximum hours of work, I have recently noted a bizarre phenomenon. An organization named the Hong Kong Federation of Trade Unions (FTU) said that both Henry TANG and LEUNG Chun-ying have not talked about the capping of working hours, showing that they are not adequately concerned about the workers, and for this reason, the FTU has not yet decided who the FTU will vote for, and particularly, Henry TANG's attitude towards the capping of working hours is so bad that it is even worse than that of the incumbent Chief Executive.

I think this is laughable. President, please look at me, this concerns your Party. The Communist Party of China (CPC) has not yet figured out why WANG Lijun was stranded in the United States Consulate and so, the Chief Executive Election in Hong Kong is naturally split into two camps. A group of tycoons have made clear gestures to be staunch supporters of Henry TANG. Frankly speaking, I can see that the most detestable people in Hong Kong have all come forth to do such a thing. On this side, Joseph YAM and others said that Henry TANG is invincible and matchless; on the other side, LEUNG Chun-ying's camp also said that LEUNG Chun-ying is invincible and matchless.

Frankly speaking, XI Jinping who is now in the United States having a talk with the President of the United States was also ambiguous in what he said. What sort of health problems does WANG Lijun have? Nobody knows. The CPC has not yet made a decision on the Chief Executive elect and so, it is only natural for them to be evasive by resorting to all this shilly-shallying and pussyfooting. But why do they make use of the most fundamental right of workers to cover up the shame? If they want to vote for LEUNG Chun-ying, go ahead and vote for him; if no decision has been made, tell us that no decision has been made.

I think this is most laughable. Could it be that the FTU would vote for Mr Albert HO if he supports legislating for maximum working hours tomorrow? So, the shamelessness as evinced by a small-circle election has indeed made me gasp in profound astonishment. The candidates are already shameless, stirring up furore and turmoil, whereas the two camps have laid every piece of scandalous news bare at the right time to attack the rival. This has indeed made me gasp in great astonishment, all the more so when they go back on their words for personal benefits. Even the workers' rights are used as an excuse in the Chief Executive Election. Do you not consider this shameless?

Today, we are here discussing the maximum hours of work. I was a member of the delegation to Korea. What is the situation in Korea? It actually highlights a problem and that is, political parties and politicians are not reliable. Without a workers' movement, there would not be legislation on maximum working hours that can truly benefit workers. This is all very clear.

In spite of all the twists and turns, it actually boils down to a question of money. In Korea, maximum working hours have actually been implemented for

a very long time but not many benefits have really been generated. We have enacted legislation on a minimum wage but no maximum hours of work was factored into calculation. So, when we formulated the hourly wages of workers, we naturally did not calculate how much a worker should be able to bring home on the assumption that the worker works eight hours a day and 44 hours a week, which is in line with the minimal standard of working hours internationally. Simply enough, if calculations are based on an hourly rate of \$28, an ordinary worker who works eight hours a day and 44 hours a week can actually earn only some \$5,000 or \$6,000. This is the reality.

I asked Secretary Matthew CHEUNG at that time whether he had in mind a certain number of working hours that he thinks Hong Kong people should work when he calculated the minimum wage. If the calculations are done the other way round, we will know that the hourly rate has to be set at \$33 or \$35 in order to be enough. We already made this mistake in the prescription of a minimum wage and this is why I said at the final stage that an hourly rate of \$28 is not going to work. The Government then went further to appoint a commission comprising representatives of the rich people, representatives of the Government, and representatives of academics who are generally biased in favour of the rich people, and there are altogether nine of them, compared to the three labour representatives. Eventually, they have come up with this explanation and that is, a person who is paid the minimum wage may not even be eligible for applying for public rental housing because he is not poor enough.

Members, the Government has been very cunning on this issue. I have filed three lawsuits against the Government and lost nearly \$1 million. I applied for a judicial review and pointed out that the Government was duty-bound to set a minimum wage in accordance with the Trade Boards Ordinance. But the Government outrageously told this Council to delete in one go the obligation of capping the working hours required of it under the Trade Boards Ordinance, making it impossible for us to do anything even if we want to pursue the responsibility of the Government or take the Government to court over this. This is the present government.

LEUNG Chun-ying has a part to play in this Government. He had been a Member of the Executive Council. Henry TANG had been a Secretary of Department. They are just the same. What is the FTU saying now? If the FTU has the guts, it should nominate Mr Albert HO who supports capping the

working hours. Otherwise, please shut up and be a strikebreaker and lackey of the CPC.

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

(No Member indicated a wish to speak)

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, once again, I thank Mr LEE Cheuk-yan for proposing this motion today and the 22 Members who have taken part in this motion debate.

From Members' speeches, it is evident that Members are highly concerned about standard working hours, and they hold different views on whether or not Hong Kong should follow the example of Korea and legislate for the prescription of standard working hours. To sum up, the supporters consider that the Korean experience has reference value and that the implementation of standard working hours does not only protect labour rights, but also helps employees strike an appropriate balance between work and life, thereby improving the quality of life. On the other hand, Members who have reservations about the implementation of standard working hours consider that the implementation of standard working hours will increase the operational cost of enterprises and undermine the flexibility of enterprises and particularly in the industrial and commercial sectors, the small and medium enterprises (SMEs) will be hit harder because it may take time for SMEs to adapt to the effects brought by the implementation of the statutory minimum wage. Therefore, if standard working hours were introduced now, the SMEs would find it very worrying.

I wish to reiterate that the Government is equally concerned about standard working hours. As I said in my opening speech, following the enactment of legislation on minimum wage, the Administration has taken the initiative to propose and launch a policy study on standard working hours. This fully shows the importance attached by the Government to this issue and marks an important first step.

Members mentioned earlier on that Hong Kong can borrow the experience of Korea in implementing a system of working hours, such as implementing standard working hours in phases, providing financial incentives to SMEs, and

establishing a high-level body with tripartite involvement. The valuable experiences of other places are certainly worthy reference to us, but each place should consider its own actual situation, in order to make the most appropriate arrangements.

In fact, different places will take into consideration such factors as their own socio-economic development, conditions of the labour market, and so on, when formulating a policy on working hours. The cultural background and even the work culture and values of a place are also factors that need to be considered in the formulation of the relevant policy. For example, in some places, working hours are regulated mainly for the purpose of protecting the occupational safety and health of employees; and in some places, the prescription of standard working hours aims to increase employees' income. In other places, such as Korea, as far as I understand it, they hope to reduce working hours with the objective of achieving "job-sharing" and creating jobs. When we make reference to the experiences of these places, we must pay attention to their unique background.

In the past few years, the rapid development of the Hong Kong economy has indeed hinged on the manpower resources of Hong Kong. The workforce in Hong Kong, whether in the past or at present, is known for having a high degree of flexibility and strong adaptability. To maintain our advantages, the key lies in striking a suitable balance among the need to maintain Hong Kong's competitiveness, the need to maintain our advantage in terms of talents and the need to protect workers' rights and interest.

The implementation of standard working hours aims mainly to protect and improve labour rights. But from the experience of other places, we can see that the implementation of standard working hours will have certain side-effects that warrant our attention. For instance, jobs may become fragmented, and some enterprises (especially SMEs) may have less flexibility in operation. The SME organizations in many places have stated that given limited manpower and resources, it is indeed a very big challenge for them to implement standard working hours while at the same time maintaining competitiveness. Therefore, we must be very careful in assessing whether standard working hours will cause impacts on the flexibility of enterprises in operation.

I wish to reiterate that standard working hours are a complex and controversial issue, but we have not evaded it. We are now pressing ahead with

a policy study on it. As I said before, this issue is far more complicated than minimum wage. Having said that, we will certainly make the best use of time to conduct the study with the objective of completing the study by the middle of this year. We hope that the findings of the study will enable the community to gain a fuller understanding of this issue, in order to encourage various sectors of the community to think about and discuss it and help reach a consensus ultimately.

It is the Government's established policy to progressively improve employees' rights and benefits in a way that strikes a reasonable balance between employers' and employees' interests and which is commensurate with the pace of Hong Kong's socio-economic development. Minimum wage is a case in point. We had made great efforts to facilitate interaction and co-operation among employees, employers and the Government, through which a minimum wage was implemented ultimately. We will certainly uphold this principle and conduct the study on standard working hours in a pragmatic, objective and down-to-earth manner in line with the overall interest of society. We hope that a full report on the findings of the study can be made to the Labour Advisory Board and the Panel on Manpower in around June.

Thank you, President, I so submit.

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, you may now reply and you have one minute 37 seconds.

MR LEE CHEUK-YAN (in Cantonese): President, after listening to this debate today, I only have strong feelings aroused in me. The business sector continues to lay the blame on others; the Government continues to hang around; the candidates of the Chief Executive Election continue to be evasive, and workers continue to "sell their blood". Under this system, workers work overtime and sell their blood every day. They have to work long hours, sacrificing their family and sacrificing their living in exchange for the crumbs to feed their family.

This issue has been discussed for more than a decade. There is no difference between what is said today and what was said a decade or so ago. The two representatives of the business sector, namely, Mr Jeffrey LAM and Mr Vincent FANG, were just apportioning blame earlier on. They blamed the minimum wage; they blamed the European debt crisis; they blamed the economic

recession in the United States; and they blamed the unknown future. A decade or so ago, they apportioned blame in the same way. When the economy is good, they put the blame on others; when the economy is not good, they still blame others in the same way. The Government is just the same as it talks about complexity and the actual situation, and so on, and so forth. The Secretary must not forget that the per capita GDP of Hong Kong is still one of the highest in the world, and despite such economic development nowadays, standard working hours still cannot be implemented properly.

As regards the candidates of the Chief Executive Election, as I said earlier, LEUNG Chun-ying has not proposed to legislate for standard working hours and I wonder if he agrees to it or not. Henry TANG has been evading the issue and saying that legislation will be enacted ultimately, but no timetable or a roadmap has been provided. I can only feel sad for workers in Hong Kong. Faced with this Government which upholds the ruling of Hong Kong by businessmen and which skews in favour of the consortiums, and faced with this system of small-circle election, let us just go on "selling our blood"! This is really pathetic.

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.

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion with no legislative effect: Government-led promotion of a territory-wide energy conservation campaign.

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

I now call upon Mr CHAN Kin-por to speak and move the motion.

GOVERNMENT-LED PROMOTION OF A TERRITORY-WIDE ENERGY CONSERVATION CAMPAIGN

MR CHAN KIN-POR (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

In the face of climate change and drastic weather change, extreme weather disasters such as drought, flood, fire, blizzard and typhoon continue to occur around the world. As a result, millions of people cannot maintain their livelihood, and they are even forced to flee their homes to become "climate refugees". Hong Kong has always been a blessed land. Although such extreme weather conditions are not our immediate concern in our opinion, there is no talisman for Hong Kong which will be affected sooner or later.

In order to cope with the increasing demand for energy, there has been a substantial increase in the use of nuclear power in many countries and cities, based on the idea that high performance and low emission can be achieved through the use of nuclear energy. Before the outbreak of the Fukushima incident, the SAR Government had precisely chosen the path of "high nuclear power, low carbon" in the hope that emission reduction could be achieved by a substantial increase in nuclear power.

In September 2010, the Government published the Hong Kong's Climate Change Strategy and Action Agenda in which several emission reduction proposals were put forth, together with three major reduction targets in respect of carbon intensity level, greenhouse gas (GHG) emissions and per capita emission, for which different reduction targets have been set. To achieve these targets, the Government has proposed a major recommendation, that is, a substantial increase in the use of nuclear power, such that the proportion of nuclear power in the fuel

mix for power generation will substantially increase by more than double from the existing 23% to 50% in 2020. However, after the Fukushima incident in Japan, the safety of nuclear power and its harmful effects on the environment are examined afresh by the whole world. It is really a big question as to whether Hong Kong can withstand the high risk posed by nuclear power and the far-reaching impact of the disposal of nuclear waste.

Given that Hong Kong is not endowed with any natural resources, the options of renewable energy are also relatively limited and nuclear power is not feasible, should we use natural gas, which is cleaner, to replace electricity generated by burning coal? However, as we all know, the price of natural gas is much higher than that of coal and the tariff increase of the two power companies recently has also shown that reliance on natural gas will drive up electricity generation costs, thereby resulting in tariff increase.

In fact, among various energy policies, energy conservation is the most effective, most expeditious and most cost-effective way to address climate change and alleviate the financial burden of the public. It is definitely the best policy. The Government should take the initiative to set the objectives and policies of energy conservation and promote a territory-wide energy conservation campaign through various administrative measures, thereby leading Hong Kong towards energy conservation. This will be a blessing to the people and Hong Kong will really move towards a low-carbon city.

President, apart from the purpose of emission reduction, another reason for the Government to propose a substantial increase in nuclear power is the 2009 forecast by the consultant hired by the Environment Bureau. According to the forecast, the volume of electricity sold in Hong Kong by 2020 will surge to 64 billion kWh per year. However, Greenpeace has pointed out that while the volume of electricity sold by the two power companies in 2010 was 44.4 billion kWh, the consultant's report has seriously overestimated it at 50.4 billion kWh, representing an error rate of 13.5%. According to the estimation made by Greenpeace, if the same error rate is made in the 2020 report, the total volume of electricity sold would be overestimated by 8.64 billion kWh. On the basis that the annual volume of electricity generated by the Daya Bay Nuclear Power Plant is 10 billion kWh, the overestimated volume is equivalent to almost 10 months' output of the Plant. Therefore, the Government need not substantially increase the volume of nuclear energy. Conversely, Hong Kong

can even reduce the demand for electricity generated by nuclear power by promoting energy conservation.

The figure cited just now is the consultant's forecast of the total electricity sales in Hong Kong by 2020. However, from the perspective of the overall energy consumption, including town gas and gasoline and all other energy needs, it is forecast in the consultant's report that the local energy demand in 2020 will increase by 30% compared with 2005. I assume that the forecast in the consultant's report is correct. However, according to the analysis of the World Wide Fund for Nature (WWF) based on the assumption of an annual reduction in energy consumption of 3%, the energy consumption in Hong Kong will see a total decrease of 25% during the eight years from 2012 to 2020 through various energy conservation initiatives of the Government. Similarly, a substantial increase in the use of nuclear power is not required. Using Hong Kong's expected overall energy consumption in 2012 being 283 540 Terajoule (TJ) as the basis, if we want to reduce energy consumption by 3%, we have to save 8 506 TJ, which is equivalent to 2.36 billion kWh of electricity.

According to the WWF estimates, the residential and office electricity consumption in Hong Kong is around 38 billion kWh per year. If every citizen avoids leaving electrical appliances in standby at home and office, electricity consumption can be reduced by 10% or 3.8 billion kWh per year, which is almost equivalent to \$3.8 billion in electricity bill, or equivalent to the electricity consumption of more than one third of the 800 000-odd households in the territory.

In fact, energy conservation is made an important policy in many cities and countries, which have also regarded energy conservation and emission reduction as innovative ideas in governance and invested a lot of resources to formulate their energy strategy layout. For instance, the Government of Taiwan, which is neighbouring Hong Kong, has been vigorously promoting energy conservation with clearly set targets of conservation, under which local energy efficiency will increase by more than 2% per annum within eight years. With regard to emission reduction, the target of the Taiwanese Government is to reduce local carbon dioxide emissions to the 2005 levels by 2020.

In fact, the Taiwanese Government has also subsidized the electricity bills of the people. The SAR Government has spent \$4.5 billion on granting each

residential electricity account a subsidy of \$1,800 to help people fight against inflation. However, the approach adopted by Taiwan is wiser than that of Hong Kong. In Taiwan, residential users may enjoy an additional 5% to 20% discount in the electricity bill if they manage slash their current electricity consumption compared to the same period of the previous year. In short, energy-smart users in Taiwan can not only save on their energy consumption but also gain an additional saving from their electricity bills with additional discounts. The incentive scheme has helped achieve a saving of 4.5 billion kWh, which is equivalent to 60% of the annual residential electricity consumption of the city of Taipei in one year. This measure has alleviated the financial burden of the public while encouraging electricity conservation, thus killing two birds with one stone.

Similarly, Singapore has launched the "10% Energy Challenge". Residents who have managed to reduce their electricity consumption by 10% would be eligible to enter a lucky draw so as to encourage people to save on electricity consumption.

In Hong Kong, on the contrary, although various sectors have put forth a lot of constructive proposals of energy saving and carbon reduction, such as enhancing building energy efficiency and improving the energy efficiency standards for electrical appliances, the Government has not set any territory-wide energy efficiency targets despite the numerous recommendations. Thus, even though there are lots of recommendations on energy saving in front of us, there is no timetable or roadmap for achievement of the emission reduction targets year on year set by the Government through energy conservation.

President, I would like to share with you my own personal experience. Two years ago, I became a member of the owners' committee of the housing estate where I live. At a meeting with the management company last year, we set the target of reducing electricity consumption by 5%. One year later, the housing estate as a whole really managed to reduce electricity consumption by 5%, saving a total of \$1.4 million in the electricity bill. Residents are very happy because their normal life is not affected by these measures which have helped save a lot of money. We will continue to save energy by further reducing electricity consumption by 3% in the coming year.

According to the views of the management company, the target of 5% reduction in electricity consumption is achieved mainly by controlling the use of

air conditioning, which is the most effective way. Air conditioners are switched on or off according to the weather, season, as well as sunrise and sunset time, in addition to allowing more fresh air in. Secondly, it is reducing the electricity consumption of lighting equipment, such as turning on the lights only when necessary and switching to LED lights. In fact, there is no conflict between a low-carbon lifestyle and economic development and improving people's quality of life. I believe we can do it and the Government can also do it.

I have moved this motion today with the intention of throwing a sprat to catch a herring. While the Government has repeatedly stated that we have to substantially increase the use of nuclear power or other energies, there is already a most effective, most expeditious and highly cost-effective way to deal with climate change and energy demand, that is, energy conservation.

While a lot of recommendations have already been presented by all sectors, what we need now is a "locomotive". I hope the Government can assume the role of a locomotive and set energy saving targets that suit the environment of Hong Kong after consultation with all sectors of the community. Apart from electricity, it can introduce energy-saving incentives in respect of town gas and gasoline through administrative measures to call upon the public to work together by taking one step at a time towards the target of energy conservation and a low-carbon city.

Here, I would like to particularly thank several green groups, including the WWF, Greenpeace and Green Power, for their assistance in gathering information and advice.

President, I so submit.

Mr CHAN Kin-por moved the following motion: (Translation)

"That the Government proposes in the Consultation Document on Hong Kong's Climate Change Strategy and Action Agenda to significantly increase, in 2020, the proportion of nuclear power generation in Hong Kong's fuel mix for power generation from 23% in 2009 to 50% and the proportion of electricity generated using natural gas from 23% to 40%, but given that the earlier nuclear power incident in Fukushima of Japan has aroused public concern about the safety of nuclear power, and

replacing coal with natural gas, which is cleaner, for power generation will significantly increase power generation costs, the options for Hong Kong's fuel mix for power generation are thus further limited; besides, Hong Kong is not endowed with any energy resources, promoting energy conservation therefore becomes more important; as a matter of fact, energy conservation and enhancing energy efficiency have become a major sustainable development trend among the international community, and many countries in the world (including China) have even adopted energy conservation and emission reduction as an important state policy; in this connection, this Council urges the Government to immediately formulate afresh territory-wide energy conservation policies and objectives, take the lead in organizing a territory-wide energy conservation campaign, and adopt multi-faceted incentive measures to unite and motivate people from different strata as well as enterprises to participate in the territory-wide energy conservation campaign, so as to comprehensively enhance energy efficiency in Hong Kong."

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

PRESIDENT (in Cantonese): Three Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the three amendments.

I will first call upon Mr KAM Nai-wai to speak, to be followed by Mr CHAN Hak-kan and Ms Audrey EU respectively; but they may not move the amendments at this stage.

MR KAM NAI-WAI (in Cantonese): President, I am very grateful to Mr CHAN Kin-por today for proposing this motion to call on the Government to take the lead in organizing a territory-wide energy conservation campaign. Why should such a motion be proposed? Perhaps Mr CHAN thinks that the Government has not done a good job in leading the entire community in achieving energy conservation.

I would like to cite an example about the mention of energy conservation during my recent visits to the districts to consult the residents on the Budget. I was asked by many kaifongs this question, "Mr KAM, regarding your call on us to take environmental protection and energy conservation seriously, did the Government not mention earlier a scheme to distribute coupons for compact fluorescent lamps (CFLs)? Why are the coupons not distributed after such a long time?" Actually, this scheme of promoting energy efficient CFLs is hugely popular. I said in reply, "Do you not know that the scheme has been shelved? The Government decided not to go ahead with it because of the lack of popular support."

In fact, the Government mentioned in the 2009-2010 Policy Address various initiatives to promote a low-carbon economy and stated clearly its intention of replacing incandescent light bulbs with CFLs. However, the scheme aroused much controversy at that time as it was suspected of favouring the Chief Executive's in-law. In fact, this was not the main issue. I also believe members of the public did not oppose this scheme. What they found most disgusting was that the power companies were allowed to raise electricity tariffs as a subsidy. In fact, the Government's energy conservation incentives will often give people the impression that there is a lack of thoroughness on its part, and very little can be achieved despite all the fanfare. These are the disappointing efforts made by the Government in energy conservation and environmental protection.

Some time ago, the Government also put forward another proposal to, rather than achieving energy conservation, significantly increase the use of nuclear energy for power generation from 23% at present to 50% in 2020. But given the great fears among us about the expansion of nuclear energy application for power generation after the nuclear power plant incident in Japan, is there any better option besides expanding ratio of power generation by nuclear energy?

In fact, Mr CHAN Kin-por has also mentioned numerous ways proposed by various political parties and groupings to achieve energy conservation for discussion and consideration by the Government and the public. Nevertheless, the Government has invariably cited various reasons to reject these proposals. Hence, I hope the Government can consider these proposals afresh. Today, a number of colleagues would be putting forward many different opinions, and I

would also like to reiterate several proposals put forward by the Democratic Party for the Government's consideration.

Just now, Mr CHAN Kin-por also cited an example about electricity saving in Taipei. In fact, over the past several years the Democratic Party has been proposing to the Government that it should not simply offer a tariff concession of \$1,800 per annum, as it means only a \$150 concession per month. Furthermore, many green groups have mentioned that such concessions will, on the contrary, induce more electricity consumption, thus defeating the cause of energy conservation. The proposal made by the Democratic Party to provide an electricity charge subsidy of \$1,200 to an account the electricity consumption of which in a half-year period is reduced by 5% or more compared to that in the corresponding period of the previous year can provide an incentive for people to reduce electricity consumption. Although this proposal was raised by the Democratic Party a couple of years ago, the Government has been turning a blind eye to it, saying that the 5% thus saved cannot necessarily reflect the actual electricity saving achieved by each household. The Government is merely contemplating this issue inside its offices without giving more consideration to active measures.

The Democratic Party has also proposed the provision of a tax allowance, subject to a ceiling of \$5,000, to people who purchase energy efficient products with Grade 1 energy label, which means that people can enjoy a tax allowance on replacements with energy-saving products. Despite that such proposals have been put forward by the Democratic Party during the consultations on the budgets over the past couple of years, the Government has been refusing to take on board our proposals by citing various reasons.

The Democratic Party has proposed several amendments to Mr CHAN Kin-por's motion. When it comes to energy conservation, the incentive currently offered by the Government to encourage people to use electric vehicles must be mentioned, though the number of such vehicles available for sale on the market is very small. Hence, apart from encouraging the use of electric vehicles, I think the Government still needs to make more efforts in promoting the development of a low-carbon traffic and transport system, including encouraging the public to travel on foot and by bicycle more frequently, and include travelling on foot and cycling in the planning of its overall transport policy. At the same time, the Government should also encourage people to

travel on public modes of transport and the mass transit system more frequently. All these options are feasible. During the implementation of these proposals, more complementary measures are also needed. The proposals put forward by us in my amendment, including improving the footbridge system, and so on, are all helpful to promoting a territory-wide energy conservation campaign. Furthermore, we have also mentioned the phasing out of highly polluting buses by way of financial subsidy or franchise extension, with a view to pushing ahead the use of green vehicles. All these proposals are carried in my amendment.

I hope the motion proposed by Mr CHAN Kin-por today can although the term of the current Government will soon come to an end — it will end on 30 June this year — I still hope that it can take on board the energy conservation measures proposed by us today and even those advocated by us all along, such as assisting private buildings in conducting carbon audits, or energy efficiency assessments. We hope that the Government can take the initiative to assist each and every building in conducting such assessments. Just now, Mr CHAN Kin-por mentioned ways to use less electricity in housing estates and places where lighting was not required. I have learnt that some housing estates have started making applications to the Government's energy audit and energy conservation schemes. However, the application formalities are complex, and the housing estates have to apply for audits on their own. The Democratic Party proposes that the Government offer subsidies to fully assist all housing estates in conducting energy and carbon audits to enable such households to explore more energy conservation initiatives. I believe this approach is more proactive than the housing estates conducting audits on their own.

Besides the proposals put forward by the Democratic Party as mentioned just now, Members from various political parties and groupings, including the DAB, have also mentioned proposals of introducing incentive schemes to encourage people to use energy-saving products. The Democratic Party will support all of them. Members from the Civic Party have also mentioned studying the feasibility of new methods, including the Australian example of levying a carbon tax on accounts with high electricity consumption. The Democratic Party considers this worthy of study and consideration. Of course, Members might worry whether the business sector will pass the new levy, once it is introduced, onto consumers. This also warrants our concern. Hence, if a study is conducted, the Government must carefully consider this to ascertain

whether consumers or the public at large will voice opposition as a result of the need to pay extra money. We must note this point, too.

The Democratic Party has all along supported the implementation of a progressive tariff structure in order to reduce the number of accounts with high electricity consumption. We also consider it worthy of study and consideration by the Government. Generally speaking, we very much hope that the Government can, as stated by Mr CHAN Kin-por, really take the lead in promoting a territory-wide energy conservation campaign and stop acting faint-heartedly. It is hoped that the whole community can be engaged in the campaign.

President, I so submit.

MR CHAN HAK-KAN (in Cantonese): President, the question on environmental protection and energy conservation is frequently discussed by society and this Council. But unfortunately, we have to hold further discussions after rounds of discussions. I believe Members here who are concerned about environmental issues must have watched the film *An Inconvenient Truth*, which was shot in 2006. It is now 2012, six years after the production of the film. Six years on, we still have to debate energy conservation and emission reduction, issues which have been discussed *ad nauseam*. The theme of this film is that carbon emissions are one of the major causes of global warming. We have to reduce carbon emissions in order to ameliorate global warming.

I have no idea how many six years there are in our life, but I do know that our term of office is four years, which will soon expire. Therefore, our most urgent task now is not just to discuss the issue or express our views. Rather, the Government must act immediately and such actions need planning, organization, efficiency and effective enforcement. To achieve all of these, we cannot solely rely on the free market. Nor can we rely on enterprises to fulfill their social responsibility. The Government should shoulder the responsibility of taking the lead in this regards.

I thank Mr CHAN Kin-por for moving today's motion on Government-led promotion of a territory-wide energy conservation campaign with a view to enhancing the energy efficiency in Hong Kong in a comprehensive manner.

President, in order to save energy, we should start by leading a low-carbon life. Here are some specific recommendations.

A few days ago, the DAB published the findings of a survey of household electricity consumption patterns. Compared with a similar survey in 2005, we found that public awareness of energy conservation in Hong Kong has fallen slightly. For example, more people do not turn off the lights on leaving their rooms, televisions are still turned on when they are doing something else and the main switch of electrical appliances are not turned off when not in use. Members of the public may think that these are trivial matters, but the accumulated energy consumption over a long period of time should never be underestimated.

In order to enhance public awareness of environmental protection and energy saving, I think the first thing to do is to let the public know the amount of carbon emissions in their daily life. Although there are a lot of computer programs for calculating carbon emissions in the market or on the Internet, it is difficult to expect an ordinary citizen to check the energy consumed and carbon dioxide emitted daily or monthly unless the citizen has a very high sense of environmental protection or sense of responsibility in this regard. Therefore, in 2008, I urged the Government in this Council that the two power companies and even Towngas be requested to set out the carbon emissions of each account in their electricity bills and gas bills respectively so that the public will know the amount of carbon emissions of each month by referring to these bills without the need of calculating or checking it on the Internet. It is the most straightforward reminder for the public. Unfortunately, the Government has all along maintained that this issue is under study and discussions with the power companies and Towngas are still going on. The measure has yet to be implemented to date. President, I really do not understand how difficult it is to set out information of carbon emissions on these utility bills. To what extent will this increase the costs of Towngas or the power companies? These figures can be worked out by a simple formula.

President, there are other findings in our survey. The proportion of people who use compact fluorescent lamps (CFLs) or LED lighting installations remains at around 50%. This ratio cannot be substantially increased. I reckon that many people still do not have much knowledge of these installations, or some grass-roots families do not have sufficient financial means to improve their

lighting installations at home. Let me cite an example. At present, an ordinary desk lamp using fluorescent tubes will cost only \$200 or \$300, or even less. However, if one wants to buy a LED desk lamp, it may cost a few hundred dollars. The most expensive one, as I have seen, is even priced at \$800. Energy saving is not a gadget for the rich. We do not have to wait until technology is mature and the price has come down to promote environmental protection. President, what I am referring to are not trendy electronic products, computer games or Hi-Fi, but products which are friendly to the environment. The Government can encourage the grassroots or even all people to use energy-saving and environmentally-friendly products through financial incentives and funding schemes. Although the Government has encountered obstacles in rolling out the voucher scheme on CFLs which was eventually shelved, I suggest that subsidies can be provided to community organizations, green groups or social enterprises through the Environment and Conservation Fund so that they can help grass-roots families replace the traditional lightings with CFLs or environmentally-friendly lighting installations. Subsidies may even be granted to people for purchase of other energy efficient products.

President, another suggestion that I have raised time and again is the implementation of the "carbon emission reduction bonus point scheme". Its main purpose is, through accumulation of bonus points, to encourage the public to reduce electricity consumption, dispose of old appliances in the proper manner, and purchase energy-saving products. Such activities can be exchanged into bonus points that can be used to pay fees of government services and facilities, including venues and facilities of the Leisure and Cultural Services Department. Similar schemes have been implemented in our neighbouring regions such as South Korea and Japan. The bonus points accumulated by the locals can be used to pay government services as well as fares of various modes of transport. In my opinion, Hong Kong, as an international city, cannot lag behind in this regard. I request that the Government should actively consider this proposal.

On green transportation, as the second largest source of carbon emissions is vehicles and vessels, the Financial Secretary, in the previous year's Budget, announced the setting up of the \$300-million Pilot Green Transport Fund, in addition to encouraging car owners and the transport sector to use electric vehicles through tax incentives, and offering subsidies to bus companies for trying out hybrid buses and electric buses. But I would like to remind the Government that the supporting facilities for electric vehicles are very important.

Although the Government plans to provide an additional 1 000 electric vehicle charging stations in the territory, the locations of these charging stations, specific operating procedures and other hardware facilities should be designed on the major premise that they are convenient to car owners. Otherwise, the additional provision of such facilities will not be meaningful, nor can it encourage the people to use electric vehicles.

President, apart from electric vehicles, I found that more and more people would prefer cycling in recent years. This is a green means of transport. But I have always received complaints from District Council members and the general public against the poor planning of the existing cycle tracks in Hong Kong and problems in road safety design, thereby leading to frequent accidents. So, I hope that the Government could formally recognize the bicycle as a supplementary means of transport because only in doing so will the design and safety standards of cycle tracks reach a certain level and public safety be protected. Furthermore, bicycles will then truly become a green means of transport.

President, I would like to give a brief response to the motion and other amendments on behalf of the DAB. In the original motion, Mr CHAN Kin-por urges the Government to formulate territory-wide energy conservation policies and objectives. This is close to our philosophy of advocating emission reduction and energy conservation. Therefore, we will support the motion and hope that the Government will accept the specific suggestions of the DAB.

As for the amendments proposed by Mr KAM Nai-wai and Ms Audrey EU, we agree to them in principle. But I would like to point out that we appreciate the point raised in Mr KAM Nai-wai's amendment concerning people's worry about the substantial increase in the use of nuclear energy. However, regarding his proposal of providing an electricity charge subsidy and tax allowance to people who purchase energy efficient products, we have different understanding and views. Therefore, we have proposed the "carbon emission reduction bonus point scheme", which has been clearly spelt out in my amendment. We are different from Mr KAM in respect of specific schemes. Therefore, we will abstain from voting on his amendment. As for Ms Audrey EU's amendment in which proposals such as progressively expanding the various Building Energy Codes, implementing a progressive tariff structure and making it a mandatory requirement for listed companies to conduct energy audits and carbon audits, this direction is worthy of support. However, we are worried that when each of

these measures is made mandatory, society may take exception to them and this Council must respect the views of people.

President, I so submit.

MS AUDREY EU (in Cantonese): President, the crux of this motion moved by Mr CHAN Kin-por is to request the Government to lead the promotion of a territory-wide energy conservation campaign. If the Government takes the lead in promoting the campaign, the Council will certainly be involved. As a matter of fact, whenever we impose our requests on others, we will be blamed for being strict with others but not with ourselves. Therefore, we should set a role model before all else.

President, you may recall that a few years ago when we worked in the old Legislative Council Building and Mrs Rita FAN still served as the President, I, in my capacity as a Legislative Council Member, challenged the Chief Executive in a Question and Answer Session to an energy conservation contest between the Legislative Council and the Government Secretariat in order to determine the percentage of reduction in electricity consumption of these two buildings. At that time, the Chief Executive considered it most unfair on the ground that the Government had carried out energy conservation for many years, so the room for further reduction in energy consumption would be small and the Government would definitely be defeated. Subsequently, the Government indicated that its offices would be relocated to the Tamar site where the new Central Government Complex and Legislative Council Complex would be built. Since then, I have remained extremely worried. The Civic Party did not support the relocation to the Tamar on the ground that energy conservation would not be properly dealt with. But the Government boasted that the newly-built Legislative Council Complex would be one of the most environmentally-friendly buildings.

Soon after our moving in, I raised a question on the electricity bills of the Legislative Council Complex. By comparing the electricity bills in autumn last year with that of the preceding year, it was found that the tariff from September to November after our moving in was 8.8 times greater than that in the same period of the previous year. The Government explained that it was due to rectification works during the initial stage of the relocation, in addition to the fact that tariffs of offices other than the old Legislative Council Building were not included in the

electricity bills in the past. Certainly, we could put up a lot of excuses. Whatever the reason, the electricity consumption after relocation to the new Complex has definitely increased. Given that the number of Legislative Council Members remains at 60 and the workload has not changed, while the energy consumption has surged by so many times after the relocation, the public would query whether we should also conduct a review of ourselves.

Therefore, I have specifically raised this point in my amendment to the motion. I really cherish our times in the old Legislative Council Building where every one of us could adjust the electricity consumption on our own. For instance, we could turn off the lights and air conditioning of a room before leaving it. President, you may recall that we had even discussed fixing the temperature at 25.5°C. But no one even mentions it now. Since I have moved into my office upstairs, the temperature shown on the thermostat has all along stood at 19.8°C. Feeling perplexed, I tried to adjust the temperature, which then jumped to 28°C before returning to 19.8°C in less than 15 seconds. According to a study by the Electrical and Mechanical Services Department, as revealed in a publication by the Hong Kong People's Council for Sustainable Development, the electricity consumption of a place with central air conditioning is higher than those without by 46%. Perhaps the high electricity consumption in the new Legislative Council Complex is due to its spaciousness. However, the use of a central air-conditioning system will definitely lead to a substantial increase in the average electricity consumption per cubic metre.

President, I would like to make a formal appeal that the Legislative Council also has the responsibility in this regard. If we urge the Government to lead the promotion of a campaign, the Legislative Council is also duty-bound. We should conduct a review of ourselves and seek expert advice on how to reduce electricity consumption in the Legislative Council Complex.

Besides, in my amendment I have also proposed that the existing tariff structure be changed through discussion. Should we draw reference from the progressive tariff structure of Taiwan or San Francisco in the United States so that account holders of high electricity consumption will be charged a higher tariff under a progressive mechanism? Therefore, regarding a point raised by Mr KAM Nai-wai in his amendment, I also agree that the electricity charge subsidy provided by the Government will really lead to higher electricity consumption, which was a question I put in the past. That an electricity charge

subsidy is provided only when the electricity consumption of an account holder has decreased when compared with his previous consumption is the way forward which warrants our consideration.

Besides, as a Western proverb goes, "Tax system reflects the values of society". It means that the tax system of a society will reflect its values. If we are really committed to promoting environmental protection, we should make improvement and give consideration to this aspect in our tax regime. Certainly, the Government has provided a lot of subsidies in respect of energy conservation, such as encouraging the public to use ultra low sulphur diesel or providing concessionary duty to purchasers of electric vehicles. However, apart from concessionary duty, the Government should also consider seriously the adoption of punitive measures. Regarding vehicles which cause pollution, the Government should give serious consideration to imposing punitive measures through license fees, and so on. Only by doing so will the values of our society be reflected.

Many countries also provide incentives in their tax regimes. For instance, taxes are levied on carbon dioxide and coal in Denmark, while emission charges are imposed on power plants in Sweden. In the latest example, Australia has announced its plan to impose a tax on 500-odd major carbon dioxide emitters. Besides, a document entitled "Measuring and reporting of greenhouse gas emissions by UK companies" was published in the United Kingdom last year. Some of the amendments to the Company Act under scrutiny of the Parliament are also related to the responsibilities of listed companies or large enterprises in energy consumption. If the level of energy consumption of a corporation exceeds a prescribed level, data on greenhouse gas (GHG) emissions are required to be included in its directors' report. As for Australia, a legal framework has been laid down in the National Greenhouse and Energy Reporting Act 2007, which provides that corporations are required to report data on GHG emissions and energy consumed with effect from July 2008. Directors of the corporation concerned are subject to a maximum fine of A\$220,000 for exceeding the prescribed level.

President, these suggestions are included in my amendment to facilitate our deliberation. I am fully aware that the Government must study them carefully. I also understand that the introduction of any new tax or mandatory measure will inevitably trigger a strong response in the community. However, if we do not consider the adoption of measures which are really effective, it is difficult to

achieve the targets of the Government-led promotion of a territory-wide energy conservation campaign by merely calling on the public to turn off the lights or computers when not in use.

In his speech, Mr CHAN Kin-por has cited the housing estate where he lives to illustrate a point. It is really a good example. We must set targets in this respect. Although a target of 5% reduction in energy consumption is relatively conservative, it is a good thing after all because further reduction can be achieved gradually on a small target of 3% or 5% in the first year. If no target is set or the public is simply called on to switch to energy-saving light bulbs and so on, such efforts are not effective enough when compared with efforts of the Government in taking the lead by requesting large corporations to publish figures on environmental protection initiatives or GHG emissions. The implementation of such measures may not necessarily lead to an increase in cost which will then be passed onto the public, which is regarded as an undesirable phenomenon. If people have such a perception, it will be difficult to make any headway in environmental protection.

Therefore, I sincerely urge for Members' support. I understand that Members of the Democratic Party and the DAB as well as the business sector are concerned that our consideration of rolling out some new measures will trigger a strong response in the community or implication on costs. However, if we do not consider these measures or set specific targets, we are just paying lip service. I cannot remember how many times we have discussed similar motions here, about which Members have proposed similar measures every time. For instance, Mr CHAN Hak-kan will always mention issues related to bicycles, while Mr KAM Nai-wai and I will invariably request subsidies for bus companies or urge bus companies to replace or phase out their older fleets as soon as possible. Such issues have been discussed time and again. If we do not conduct any study in a pragmatic manner so that measures can be implemented, we are just making empty talk. Therefore, I would like to urge the President and other Honourable colleagues to support my amendment as it has determined the way forward for us to carry out the relevant tasks in a pragmatic manner.

Besides, regarding the Buildings Energy Efficiency Ordinance enacted by us, it was extremely disappointing that the amendment covering the energy efficiency of outdoor lighting installations, as proposed by me in the legislative process, was not passed. When the Government has set a target which is considered feasible, any suggestion that goes beyond the target will usually be

regarded as too aggressive. As a result, discussions over the years are reduced to just empty talk. I hope Members will understand that the Government will at least be made to be more willing to consider some new measures and implement mandatory targets and policies, thus attaining the ultimate goals, only when Legislative Council Members are united together in this cause.

Thank you, President.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Honourable Members, first of all I would like to thank Mr CHAN Kin-por for moving the motion on "Government-led promotion of a territory-wide energy conservation campaign" and Mr KAM Nai-wai, Mr CHAN Hak-kan and Ms Audrey EU for proposing the amendments.

Members have elaborated the importance of energy conservation, which is an important factor in the promotion of a green economy and the sustainable development of society. Power generation is the main source of greenhouse gas (GHG) emissions in Hong Kong. To put it simply, more than 60% of the overall carbon emissions come from power generation. I share the views of Mr CHAN Kin-por that in order to reduce GHG emissions, we must target at power generation and electricity consumption. On the one hand, we should, of course, enhance the demand side management by improving energy efficiency with a view to promoting energy conservation. On the other hand, we should deal with the issue through electricity supply and optimize the existing fuel mix on the premise of fully weighing various factors such as safety, stability, environmental protection and reasonable price.

On demand side management, the enhancement of energy efficiency has always been the most crucial link. The Government has attached great importance to it and rolled out policies and initiatives in this regard. These initiatives are not just empty talk but also effective in promoting energy conservation in practice.

First, let us look at the actual figures on electricity consumption in Hong Kong in the past. From these figures, we can see that efforts in energy conservation have been stepped up gradually over a period of time in the past. Let us take a look at the overall electricity consumption. Generally speaking,

the overall electricity consumption is determined by a number of factors, including economic growth, rising population and infrastructure development, which are demand-driven. But in recent years, as public awareness of environmental protection has been raised due to the Government's promotion through various measures, growth in electricity demand in Hong Kong has markedly slowed down and seen gradual delinking with economic growth. During the five years from 2006 to 2010, the population growth in Hong Kong is 3.1% and the GDP growth is 13%, while the electricity consumption during the same period has only increased by 3.8%. Compared with the growth in electricity consumption of 7.5% during the previous five years from 2001 to 2005, the declining trend is obvious.

Perhaps I may demonstrate the situation with the help of this simple chart in which the blue vertical bars represent the growth in electricity demand in the past two decades. Certainly, electricity consumption has been rising in tandem with population and economic growth or infrastructure development. However, the red line which represents the annual growth rate has roughly indicated a downward trend in the past two decades. In particular, the growth has slowed down in the past five to 10 years. The figures set out just now have also indicated such a trend.

Besides, from the breakdown of figures, we can see a subtle change in the electricity consumption of various major consumption groups. For instance, the total electricity consumption in air conditioning in 2009 dropped by 6% when compared with the level in the peak period, while electricity consumption in lighting has dropped more sharply by 26%. To a certain extent, this is directly related to our switch to energy efficient lighting installations, thus demonstrating that our emission reduction effort has gradually gained recognition in the community and public support. Later, I will brief Members on some major schemes, of which achievements are conspicuous due to public support and promotion by the Government through various policies.

The first one is the mandatory implementation of the Building Energy Code (the Code), a new regulation we passed last year as mentioned by some Members. The Code targets at buildings which account for 90% of the total electricity consumption in Hong Kong. Hence, it will certainly help promote energy conservation by improving building energy efficiency. It is our original intention that the Buildings Energy Efficiency Ordinance (the Ordinance) will

commence full operation in September this year. According to the Ordinance, four types of building services installations in buildings will have to meet the standards and requirements as specified in the Code. Existing buildings will also be required to comply with the Code when undergoing major renovation works. In addition, the central building services installations of commercial buildings and commercial portions of composite buildings will be required to carry out energy audits in accordance with the Code every 10 years.

In order to achieve a higher level of energy saving, the Government has further enhanced the level of energy efficiency stipulated in the Code before the Ordinance comes into effect in September. We have set the new standards, which are more stringent than before, in the Code through gazettal last Friday. For instance, regarding the energy efficiency of lighting installations that we are most concerned about, according to the new Code, the lighting standard of offices, restaurants, classrooms, conference rooms and corridors has been tightened by 10% compared with the previous standards. New standards have also been set for energy efficiency of lighting installations at more than 10 new locations, including train stations, building lobbies and lift lobbies so that more communal areas will be required to meet more stringent standards in future.

On air conditioning which accounts for a higher level of electricity consumption, most of the energy efficiency standards have been tightened by 10% compared with the former. Overall, the standards in the latest Code have largely been brought on a par with those in some European countries, the United States and places in the region. We have also taken the lead in setting some standards, such as the lift energy efficiency I mentioned earlier, which have not yet been rolled out in other regions.

According to our original estimates, newly-built buildings will achieve an electricity saving of 2 800 GWh in the first 10 years after the Ordinance has come into effect. However, after the promulgation of the further tightened standards I mentioned just now, we expect that the reduction in energy consumption and ultimately in carbon emissions will be higher than the original estimated level. We will continue to tighten the criteria in this regard where appropriate by drawing reference from empirical experience and technological development.

Secondly, the Buildings Energy Efficiency Funding Scheme, which has been implemented for three to four years, has been well received since its launch

in April 2009. Examples cited by Members reflect that some housing estates might have managed to get financial help through the Scheme. As at January 2012, we have approved 870 applications, involving a total subsidy of more than \$350 million, benefiting more than 5 700 buildings. We expect that applications from more than 8 000 buildings will be recorded by the end of this year to early next year.

We expect that the approved applications will achieve an electricity saving of 150 GWh, contributing to a reduction in carbon emissions by 105 000 tonnes per annum. The Scheme has also successfully encouraged various building owners to adopt concrete measures to improve the energy performance of buildings, thereby indirectly alleviating the tariff burden of property owners and residents. The example cited by Mr CHAN Kin-por just now can also be found in other housing estates. Take Heng On Estate in Ma On Shan as an example. It has saved \$2 million in its electricity bill per annum after joining the Scheme, thereby obviating the need to increase its management fee after implementation of the minimum wage legislation.

Thirdly, carbon audit, which is a new direction of development. In our opinion, carbon audit is an effective way to make building users understand their buildings' energy consumption level and carbon footprints. Regarding the implementation of building carbon audit, we, in 2008, drew up the first set of building-based Carbon Audit Guidelines and launched the "Green Hong Kong•Carbon Audit" campaign to take forward carbon reduction activities with partners from the real estate development, property management, banking, hotels, public utilities, universities and air logistics sectors. At present, more than 270 organizations and institutions from different sectors have made responses and signed the Carbon Reduction Charter, thus launching carbon audits on buildings under their management. More than 60 government buildings and other public facilities, including Government Offices Buildings, community halls, sewage treatment plants and air cargo centres, have conducted carbon audits since the launch of carbon audit by the Government in 2008.

On infrastructure, the Government has also commenced a series of new projects. Members may recall the approval of funds for the establishment of the first district cooling system in the Kai Tak area. When the first phase of the project gradually comes into operation as expected in the second half of 2012, we may achieve an annual electricity saving of up to around 8 500 kWh or a

reduction of nearly 60 000 tonnes of carbon dioxide emissions. We will also seize this opportunity to set up a new district cooling system in other suitable development areas.

We will also provide consumers with more choices. In order to encourage the public to select energy efficient products, the second phase of the Mandatory Energy Efficiency Labelling Scheme has come into full operation since September 2011, covering washing machines and dehumidifiers. Together with room air conditioners, refrigerating appliances or refrigerators and compact fluorescent lamps covered in the first phase, various types of home appliances which account for 70% of electricity consumption have already been included in these two phases. We estimate that around 175 GWh of electricity will be saved and 120 000 tonnes of carbon dioxide emissions will be reduced per annum.

Regarding issues concerning incandescent light bulbs or other energy efficient lighting equipment mentioned by Members just now, Members may recall that the Government launched a three-month public consultation on the restriction of sale of incandescent light bulbs at the end of last year. If our proposal is implemented, we expect the scheme to achieve an electricity saving of up to 390 GWh per annum and reduce carbon emissions by 273 000 tonnes. We are collecting views to determine the way forward.

Some Members have mentioned that the Government should set targets for itself to serve as a role model for the community. We agree with that. Apart from formulating a territory-wide energy conservation policy, the Government should also set an example for the community in respect of energy conservation. In 2009, we set the target of reducing the power consumption of government buildings by 5% during the five years from 2009-2010 to 2013-2014 on the basis of figures from similar operating environment in 2007-2008. According to the latest data, the electricity consumption of government buildings in last year (2010-2011) alone has decreased by 7.5%, which has already exceeded our original target when compared with figures from similar operating environment in 2007-2008 as mentioned just now.

Let us take a look at the resources ploughed into energy conservation by the Government. Apart from the \$450-million Buildings Energy Efficiency Funding Scheme I mentioned just now, we have also put in a lot of resources in government building projects. In the 2009-2010 Budget, two additional

provisions have been earmarked, one of which amounts to \$130 million for projects to enhance energy efficiency in government buildings and public facilities, while another amounts to \$450 million for conducting a series of minor works to improve the environmental performance of government buildings. Upon completion of the relevant projects, an electricity saving of up to 60 GWh per annum will be achieved.

The Government has also tried out new products and various departments have used different energy-saving facilities. For example, the Housing Authority, which has completed trial installation of light-emitting diode (LED) lighting installation in three public housing estates, is monitoring its performance. To further reduce the power consumption of road facilities, the Government, apart from using LED lights for streets and footbridges, has also replaced more than 5 000 traditional electromagnetic ballasts by electronic ballasts for power saving.

The Government also issues internal circulars on energy conservation to departments on a regular basis. After the issuance of a technical circular, we have also conducted more than 500 projects for enhancing energy efficiency, with the target of achieving an electricity saving of more than 60 GWh per annum, which is equivalent to 2.4% of the total electricity consumption by government buildings and facilities as a whole.

In April 2009, the Development Bureau and the Environment Bureau formulated a series of comprehensive environmental performance targets for newly-built and existing government buildings, in the hope that targets of energy efficiency, renewable energy, indoor air quality and GHG emissions could be set. Consequently, the Architectural Services Department has also drawn up an environmental checklist for internal projects, covering 17 green building standards. In addition, all newly-built government buildings with construction floor area of more than 10 000 sq m are required to be assessed by internationally or locally recognized environmental performance assessment methods. They must attain grades not lower than the second highest level under these assessment systems.

President, in order to demonstrate the latest energy-saving design and technology, as mentioned in the 2008-2009 Policy Agenda, a government building and an educational building will be used as demonstration projects in

energy conservation. The educational building, which is the new building of Sing Yin Secondary School, has been inaugurated. Installed with various environmental and energy-saving devices in the new building, it is expected that an energy saving of around 30% can be achieved per annum. I hope that this project will demonstrate not only the latest environmental and energy-saving design and technology, but also bring its teaching purposes into full play. The Government is now working with the Construction Industry Council in the construction of the first zero-carbon building in Hong Kong to showcase the latest green building design and technology adopted in Hong Kong and other countries.

President, we believe the Government's efforts alone are not enough in the effective promotion of energy conservation. Rather, we need the engagement of enterprises, households and all people to achieve the goal. In this connection, the Council for Sustainable Development (the Council) launched the "Combating Climate Change: Energy Saving and Carbon Emission Reduction in Buildings" for public engagement from August to December 2011, to invite views from all social strata and sectors of the community. In respect of systematic optimization, its recommendations include, *inter alia*, tightening the Code that I mentioned earlier and extending the scope of the Mandatory Energy Efficiency Labelling Scheme. On promoting behavioural change, its recommendations include encouraging property owners to conduct energy audits and carbon audits on their buildings and the adoption of energy-saving management systems. In the course of discussions, we have also promoted energy conservation and emission reduction to various social groups, industries and sectors. For instance, we share our empirical experience in low-carbon life through radio programmes, provide training to students on how to become "low-carbon smart people" by leading a low-carbon life as well as the introduction of a computer program on carbon footprints to calculate the carbon footprints of major building groups, including residential buildings, offices, as well as retail and catering industries in Hong Kong. While collating views received, the Council will put forth to the Government a host of proposals on stepping up energy conservation and energy efficiency, and we will examine them carefully.

On publicity and public education, through the Environment and Conservation Fund, subsidies are granted to schools and non-governmental organizations (NGOs) to install environmental facilities including energy-saving devices and renewable energy facilities for educational and demonstrative purposes. As at the end of January 2012, the Fund has granted more than

\$300 million for more than 900 projects. NGOs may also apply for subsidies from the Fund to organize activities on energy conservation and relevant publicity and education campaigns apart from the procurement of hardware. As for the business sector, the Environment Bureau will, between spring and summer, issue letters to the major chambers of commerce, property management sector and transportation industry in Hong Kong, urging them to maintain room temperature at 25.5°C in summer and encourage light clothing of employees, as well as rolling out other energy-saving measures. We will continue our efforts in this aspect in this year.

Furthermore, the Electrical and Mechanical Services Department will organize public education campaigns on energy conservation every year. It will also hold seminars on specific topics such as Mandatory Energy Efficiency Labelling Scheme and the Ordinance I mentioned just now for various sectors, professional bodies, and property development and management companies, in order to promote the relevant schemes. Relevant publications are published and energy-saving information is provided on the Internet for easy reference by the public.

President, I note that Mr CHAN Kin-por and three other Members who have proposed amendments have put forth a lot of ideas on promoting energy conservation. These generally align with the direction of the Government's efforts in this cause. We are willing to listen to their views and study them in detail. However, concerning Mr KAM Nai-wai's proposal to shelve the increasing use of nuclear power in his amendment, we consider that it is not necessary to jump to such a conclusion at this stage. After the nuclear incident in Fukushima, various sectors of the community have made different reaction towards the use of nuclear energy. In formulating the future fuel mix, as we mentioned in the past, we must take into account the four principles, namely safety, stability, environmental protection and reasonable price. In fact, the energy policy of a city will affect its long-term economic development and people's livelihood. It is also necessary to examine the detailed planning and consider the impacts on various aspects. Therefore, we promise that no hasty decisions on this will be made. We will draw reference from the standards adopted by the State in the development of international nuclear safety, the relevant reporting system and reviews of incidents before making any decision. In this connection, we appreciate Mr KAM's views, but it may not be necessary to shelve the use of nuclear power entirely at this stage.

President, I believe Members will offer a lot of views on energy conservation later and I will be happy to listen to their views before engaging in further discussion. Thank you.

MRS REGINA IP (in Cantonese): President, I am very grateful to Mr CHAN Kin-por for proposing this motion on energy conservation, so that we can engage in some interesting discussions. In my opinion, energy conservation is really like a "motherhood and apple-pie" topic, to which no one would raise objection. In their amendments, a number of colleagues have put forward all sorts of proposals. Though the proposals are well-intentioned, what will happen when they are put into actual implementation? Will the implementation of these proposals lead to energy wastage on the contrary? This point warrants our consideration.

If we look in retrospect at the evolution history of mankind, we will find that energy conservation was at its best during the Stone Age, because humans did not have electrical appliances and lived a simple life without any enjoyment. Neither had they any fear of coldness or need for heaters or air conditioners. However, when our lives are getting increasingly sophisticated — President, I do not know how to translate the word "sophisticated" into Chinese — meaning that people are more keen to pursue an enjoyable and comfortable life, women have increasing knowledge of make-up and fashion, there are needs for electric lights and the like, and the demand of society for energy has continued to grow. We might probably need to go along with nature before optimal conservation can be achieved. If the Government conducts so many studies and uses so many electric lights and computers, as suggested by several colleagues, more energy consumption might be resulted.

Nevertheless, I very much agree with the idea raised by colleagues, namely "charity begins at home". The Government should take the lead if we are to encourage listed companies, enterprises or buildings to engage in energy conservation. At present, the Government's greatest developments are the Central Government Complex and the Legislative Council Complex. I have been told by an engineer that these two buildings are a mega building complex, also the greatest building complex since the founding of Hong Kong. Yet, a colleague has also pointed out that many facilities in this mega building complex are not energy efficient. Of course, I notice that some of them are energy

efficient. For example, the computers and room lights will be automatically turned off. However, something installed for our comfort is not energy efficient for it might be too sophisticated. For instance, it might be too sophisticated and not energy saving for us to press the buttons to open the doors near us.

If the Government is really to take the lead in conserving energy, I propose that a carbon footprint study on the Central Government Complex and the Legislative Council Complex be carried out first by calculating the power consumption immediately after the commissioning of the buildings and then compare it with, for instance, the power consumption one year later to find out if energy has been saved. We need to keep track of the initial and later power consumptions of the new Central Government Complex and the Legislative Council Complex over a long period of time. Furthermore, the factors of size and additional facilities should be excluded, so that a comparison can be made between the old Legislative Council Building and the new Legislative Council Complex to examine the situation one or two years later and whether power consumption can be saved gradually. I think this is our priority task.

Second, I have all along opposed the provision of an electricity charge subsidy by the Government because the higher the subsidy, the more reluctant members of the public will be to save on electricity consumption and conserve energy.

Third, I now have a clearer idea of self-drive tours. From the angle of energy conservation, we should oppose such tours. Even if we must support integration between the Mainland and Hong Kong, people from the two places should most preferably take the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), as mass transit carriers are the best option. Now, when I wish to visit Guangzhou, I will travel by through train to Guangzhou East Station, unless many companions travel with me by car. From the angle of environmental protection, the XRL but not the self-drive tour is worth supporting. However, I myself have to be held accountable too, because I am a member of the Panel on Transport. I have looked up the documents and found that a brief paper on proposed self-drive tours was already submitted in 2008, and similar papers were also submitted in 2009. I dare not criticize other colleagues, but at least I must admit that I was negligent for failing to recognize that such tours were unfriendly to the environment. Furthermore, it is questionable as to whether there is a practical need for such an arrangement.

In any case, should the Government wish to promote energy conservation, I suggest that it should begin with itself. Furthermore, I have doubts about a proposal put forward by a colleague on conducting electricity consumption audits for buildings free of charge. Why should the Government be responsible for conducting such audits for buildings? Why should such audits be conducted on a free-of-charge basis? If the Government is responsible for doing everything free of charge, buildings or listed companies will lack the awareness of energy conservation and rely excessively on the Government. Hence, electricity consumption audits, if ever to be conducted, should be conducted by buildings or listed companies on their own. Nevertheless, if every building or listed company is required to conduct electricity consumption audits, a lot of energy might already be wasted before energy is saved, because of the frequent use of lights and computers during the audit period. Therefore, we must work out some truly effective solutions in order to encourage energy conservation.

When it comes to energy conservation measures, one of them is driving electric vehicles, a familiar initiative to members of the public. But according to scientists, such vehicles are not entirely energy saving because they need to use batteries, which are made of lithium — I do not know its Chinese name — the production process of batteries is extremely environmentally-unfriendly. I do not know if this is true; perhaps experts can correct me.

Many proposals, though well-intentioned, cannot necessarily save energy. In order to achieve energy conservation, it is most preferable for us to advocate simple living, and the more primitive way of life we live the better. Most preferably, women should not wear too many beautiful clothes, rich men should not buy too many luxury cars, and homes should not be too extravagantly appointed.

As for the proposals of implementing a progressive tariff structure or study the feasibility of levying a carbon tax on accounts with high electricity consumption, I think that in-depth studies must be conducted. Let us not forget that some major enterprises might help Hong Kong develop its industries with clear advantages in the future, such as developing Hong Kong into a data centre hub. These data centres, also known as digital hubs on the Mainland, need to consume electricity 24 hours a day, seven days a week. I once made enquiries with the power companies and was told that these data centres need to use electricity, though the electricity used must be clean. If what these centres use is clean electricity, such as natural gas, we do not necessarily have to punish them,

right? As for the proposal of levying a carbon tax on accounts with high electricity consumption, we may consider doing so if electricity consumption is purely for the sake of personal enjoyment. If the clients are enterprises, however, the situation may be different, and we need to consider the matter again. Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, the expression "Government-led" in this motion proposed by Mr CHAN Kin-por, namely "Government-led promotion of a territory-wide energy conservation campaign", hits the nail on the head.

The Government maintains a high profile in energy conservation and emission reduction. Let me cite its publicity advertisements as examples. The Electrical and Mechanical Services Department has introduced the HKEE Net, the Mandatory Energy Efficiency Labelling Scheme, the Energy Efficiency Registration Scheme for Buildings which seeks to "further enhance the public awareness of energy conservation", as well as the less-promoted Fresh Water Cooling Towers scheme which seeks to "reduce electricity consumption for cooling towers for air conditioning systems for non-domestic buildings". We can see that the Government has actually made a lot of efforts in these areas. Now, let us look at some of the actual circumstances.

In the Consultation Document on Hong Kong's Climate Change Strategy and Action Agenda launched in 2010, although the Government mentions energy conservation, its focus is still on "exploring sources". The so-called management of energy supply is actually tantamount to changing the fuel mix to achieve the objective of reducing 70% of coal emissions, whereas "reductions" actually refer to its electricity consumption reduction measures, which account for only a very small fraction of the overall effect of emission reductions. Members must definitely recall that the two power companies have earlier increased tariffs aggressively. In the Action Agenda, most of the emission reduction measures rely heavily on changing the fuel mix. In other words, the responsibility is shifted to the power companies. However, because of the peg between the assets value and the profit, the two power companies will only continue to expand their assets and modify their electricity generating facilities. In the end, acting in response to climate change has become one of the reasons for tariff increases. In my opinion, the first government-led measure on the Action

Agenda is for the Government to take the lead in stepping up the efforts in reducing electricity consumption.

Furthermore, the administration of the Government often runs contrary to its emission reduction efforts. For instance, the Government plans to allocate \$4.5 billion in this financial year to offer an electricity charge subsidy of \$1,800 to each of the 2.5 million accounts in the territory. Of course, this relief measure is a good thing, but has the Government ever considered that this measure will indirectly encourage members of the public to waste electricity? I have looked up the information and found that there were no reasons for members of the public to consume electricity indiscriminately when everyone had to tighten the belt amid hardships during the financial tsunami in 2008. Nevertheless, the Government's offer to each account a subsidy in that year pushed up domestic electricity consumption by 900 million kWh, or nearly 10%, though it responded at that time that "the subsidy had not resulted in a marked increase in electricity consumption in the territory". According to the analysis done by a green group, the World Wide Fund for Nature (WWF) Hong Kong, of the data gathered from the Census and Statistics Department, however, we can easily see in two separate analyses of the commercial and domestic electricity consumptions that, during the 12 months following September 2008, domestic electricity consumption had suddenly soared to 10.7 billion kWh, nearly 900 million kWh, or 10% up from the previous year. On the other hand, commercial electricity consumption had merely increased steadily by 2.4% over the previous year to some 27 billion kWh. Hence, this is the second government-led policy initiative it is obliged to take: to take the lead in reviewing the negative impact of "handing out candies" recklessly and guarding against how such measures will offset other social benefits.

Compared to domestic electricity consumption mentioned just now, commercial electricity consumption, which still accounts for 70% of Hong Kong's total electricity consumption, is still the number one user. Let me cite the CLP Power Hong Kong Limited as an example. Because of its regressive tariff structure for commercial clients, it has created the phenomenon of "the higher the electricity consumption, the cheaper the tariffs". As these users find that "the more electricity is wasted, the more concessions will be offered", they will naturally not try to make energy savings. Therefore, the Government must continue to step up control on them, including adopting an intimidating system of "higher charge for higher consumption", while offering incentives to enterprises striving to achieve energy conservation, such as granting them energy

conservation certificates, and so on. This is also one of the government-led policy measures it is obliged to take: to take the lead in stepping up the efforts in reducing commercial electricity consumption.

I share the WWF's view that people in Hong Kong in general are willing to save energy. While its relief measure of offering an electricity charge subsidy can provide grass-roots families with a direct subsidy, the Government may introduce measures in recognition of middle-class families using less electricity — paying less charges for using less electricity — and give them an extra remission of up to 20%, for instance, according to the rate of reduced electricity consumption. Only in doing so can the Government's measures match its policy objective. In fact, these chaotic situations also reflect the contradictions between government policies, the lack of co-ordination among government departments, and the Government's usual practice of adopting stopgap measures. President, this is the third government-led policy initiative it is obliged to take: I would like to take this opportunity to call on the Government again to take the lead in making long-term planning in administration, especially in social welfare policy, which is now in great distress.

Lastly, I must emphasize that I oppose the SAR Government's proposed GHG emissions reduction plan in the 2010 Action Agenda of significantly increasing the use of nuclear power. This is because the nuclear power disaster in Fukushima, Japan, has illustrated once again that nuclear power is unsafe. Coupled with the fact that there are many people but little land in Hong Kong, the use of nuclear power will pose a very serious threat to the environment. Instead of seeking a simple and quick solution, the Government should lead the community in energy conservation, develop renewable energy resources and put the plan of introducing more nuclear power on hold. This is the fourth government-led policy initiative it is obliged to take: to take the lead in disallowing the power companies to promote, in the name of protecting commercial interests, reckless plans of using nuclear power for power generation without regard to their social responsibilities while taking the lead in promoting the research and development of renewable energy.

President, I so submit.

MR WONG YUK-MAN (in Cantonese): President, promoting energy conservation is everyone's responsibility as well as a global trend. Insofar as

environmental protection and energy conservation are concerned, I am no expert in these areas. The motion proposed by Mr CHAN Kin-por today gives us an opportunity to point out once again that the Government's existing energy policy is to take the lead in "energy consumption". Despite our call for it to take the lead in energy conservation, the Government is actually taking the lead in "energy consumption".

The measure of providing an electricity charge subsidy, as mentioned by Mr CHEUNG Kwok-che just now, has been discussed before. This measure, rhetorically described as one meant to help the grassroots, is actually a trick of collusion between the Government and business. As the Government's policy will merely lower the electricity tariff on residential bills, only the property owners will be benefited. The "n have-nots" are now extremely dissatisfied because they cannot benefit from this relief measure, right? Since the Government's announcement in the Budget of 2008 the provision of an electricity charge subsidy to members of the public, electricity bills have dropped substantially. Members of the public are given the wrong impression that they have cut down on electricity consumption because they no longer need to pay electricity tariff. As they are not as cautious and restrained in electricity consumption as they were in the past, they will develop the habit of consuming more electricity than they should. Nevertheless, the Government has always turned a blind eye to such adverse consequences.

The Head of the Climate Programme of the WWF Hong Kong has once said, to this effect, "The electricity charge subsidy has side-effects. After the launch of the Action Blue Sky Campaign by the Government, the total residential electricity consumption fell by 1.7% in 2006-2007 over the previous year, and even dropped further by 2.8% in 2007-2008. But on the contrary, after the introduction of the \$3,600 electricity charge subsidy, the total residential electricity consumption rose substantially by 9% in 2008-2009. There is originally nothing wrong for the Government to offer the electricity charge subsidy as a relief measure to help people combat inflation, but the side-effects are evident we must understand that rising power consumption will only cause the power companies to install additional generating units, and the cost will eventually be passed onto members of the public." This is the expert opinion.

In Hong Kong, two thirds of the GHG emissions are attributed to power generation, whereas commercial consumption accounts for 70% of the territory's

total power consumption. In 2011, the WWF Hong Kong collaborated with the College of Business of the City University of Hong Kong (CityU) in launching the first "Hong Kong Energy Index" in the territory to study the changes in and reasons for energy consumption of different sectors and trades and industries in Hong Kong. By using 1990 as the base year, the current "Hong Kong Energy Index" is 1.26, which means that 26% of the energy has been wasted in Hong Kong over the past two decades or so. Among others, the business sector has wasted the most energy. Compared to 1990, 40% more energy has to be consumed today for the same event. For instance, some commercial facilities will switch on all their spotlights even in broad daylight and turn on their air conditioners in the winter. It must have something to do with the obviously deteriorating attitude of the business sector towards energy.

It was revealed in the only attempt made by the CLP Power in 2004 to publish its information that there was extremely serious disparity between the "high and low electricity consumers". The CLP Power's concessionary clients, though representing a mere 0.19% of the total number of clients, accounted for 42% of the total power consumption in 2004. Residential clients and small and medium enterprises (SMEs), though representing 99.8% of the total number of clients, merely accounted for 58% of the total power consumption. Under the Scheme of Control Agreement, the CLP Power may set different tariff rates for different clients and determine the ratios of net profits derived from different client groups without affecting its fixed total profits. Under the existing system, the highest concession per each kWh of electricity enjoyed by its major clients can be as low as 60% off the tariff paid by its residential clients. Given such a system of more concessions for more consumption, its major clients will naturally waste electricity recklessly and outrageously, but the environmental problems, ranging from air pollution to climate change and even nuclear threats, have to be borne by Hong Kong society as a whole.

According to Dr William CHUNG, Director of the Energy and Environmental Policy Research Unit of the Department of Management Sciences of the CityU, the existing fare structure must be improved. He said, to this effect, "Non-residential clients are definitely more sensitive to tariff rates and have more room for "cutting down on electricity consumption" than residential clients. Therefore, reforming the tariff mechanism and fully implementing a progressive system is the simplest and most direct way to promote energy conservation in the business sector." According to a flexible calculation made

by Dr CHUNG with electricity tariff and demand as the basis, if the CLP Power abolishes the existing concessionary system and replaces it with a fully progressive system, the annual power savings in Kowloon and the New Territories can reach 900 million kWh to 1.2 billion kWh of electricity, which can meet the demand of 200 000 households, and the annual demand can even be limited to around 20 billion kWh of electricity. Without affecting the electricity tariffs of residential clients and most of the SMEs, this reform can bring the CLP Power an additional revenue of \$1.4 billion, thereby greatly alleviating its pressure to raise tariffs, and will facilitate energy conservation and emission reduction.

Let us look at the situation of our neighbour, Macao. In a public consultation launched by the Macao Government in November last year on the electricity system and determination of tariff, it was proposed that the principle of "higher charge for higher consumption" be introduced and the tariffs for all groups of clients be revised. The decision of the Macao Government to fully implement a progressive charging system has enabled 99% of the people and SMEs in Macao to pay less. Compared to other places, how terrible Hong Kong is! I have no idea what is in the mind of the Secretary.

I think the Secretary can refer to some proposals put forward in an article captioned "Can the Budget reverse the electricity tariff deadlock?", which was published recently by the Head of the Climate Programme of the WWF Hong Kong in the *Hong Kong Economic Journal*. I wonder if he has read this article.

First, we may refer to the practice of Singapore and Taiwan whereby discounts will be offered to clients with electricity consumption reduced by a certain percentage over the corresponding period of the previous year. This can lower electricity tariff and power consumption of the city as a whole. Second, we may follow the example of the United Kingdom in launching a green loan to, instead of offering them an electricity charge subsidy, subsidize the people in modifying their home equipment and upgrading energy efficiency. This approach can serve the dual purpose of assisting people in energy conservation and using the electricity tariff thus saved to offset the loan.

During the debate on the previous motion today, I used "Other people's good suggestion can be employed to remedy one's own defects" as the title of my speech, which means the same as "Advice from others may help one to overcome

one's shortcomings". I can replace the title I used just now, that is, "Other people's good suggestion can be employed to remedy one's own defects" with "Advice from others may help one to overcome one's shortcomings", to make it applicable to this topic for the Secretary's reference. Thank you, President.

PROF PATRICK LAU (in Cantonese): President, it is not enough to rely solely on controlling the ratio of power generation to achieve energy conservation. Should electricity consumption continue to increase significantly, natural resources will be exhausted one day. Hence, clean fuel and renewable energy are the directions of development in the future. Nevertheless, I agree that it is most important after all to achieve "energy conservation", the subject of the motion moved by Mr CHAN Kin-por today.

As only by reducing energy consumption to provide for adequate natural resources for the next generation can we really achieve "sustainable development", I support the Government taking the lead in promoting a territory-wide energy conservation campaign. I believe only with the community's recognition and the joint participation of people from different strata and enterprises can twice the result be achieved with half the effort. The territory-wide energy conservation campaign I mentioned just now is not merely confined to electricity tariff rebates or tax rebate incentives for consumers buying electrical appliances with the Grade 1 energy label. It should go one step further to participate in production, research and invention.

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

I have recently seen on the Internet a very touching video entitled "Barefoot campaign", which is about how a highly educated city dweller, Bunker ROY, in India who was inspired when he came into contact with the extremely poor villagers during an experience of living in a village. Owing to their limited resources, these people lived a very simple life with everything recycled, and this had inspired him to help the impoverished villagers improve their living conditions. Most importantly, given the lack of natural resources in such impoverished places, he taught the villagers to draw on locally available materials and make use of renewable energy to improve their living.

He began with a project in India under which he led some villagers to build a "Barefoot College" to specifically admit non-achievers and train them to become experts in daily necessities, with a view to passing on the conventional way of green living.

The "Barefoot College" had also turned many women who were originally considered to be incapable of achieving self-reliance into special talents, who had succeeded in building thermally insulated and leak-proof roofs for 150 villages and, more importantly, installing solar power generation facilities for these backward villages, thereby greatly upgrading the quality of life of the villagers there.

When the founder of the "Barefoot College" visited Afghanistan, he only left behind some women at the age of a grandmother in the villages there. Since the latter had received no education and did not know how to read, and there was a language barrier, these women could only rely on body language and careful observation. But in the end, they became the best environmental protection experts. They had not only installed solar power generation facilities in the villages but even invented solar cooking utensils and conducted discussions and exchanges on solar power generation with the university professors there.

In fact, the successful community training provided by the "Barefoot College" for many countries is worthy reference for us. The Hong Kong Government should encourage applied research institutions to undertake more studies, inventions and training on renewable energy while assisting in the application of research results and encouraging applied production in the market.

For the purpose of truly promoting the territory-wide energy conservation campaign, I think that the Government must begin with the community by encouraging members of the public to pitch in and, most importantly, educating the community, so that all people from three to 80 years of age can understand the importance of energy conservation and how to achieve this purpose. Most importantly, we must begin with our habits of living.

Given that buildings account for 90% of the energy consumption, the Buildings Energy Efficiency Ordinance, which was passed by the Legislative Council sometime ago, is worthy of support. The Government should also take

the lead in playing an exemplary role by implementing the specified requirements in the Ordinance in all buildings.

Furthermore, the Government should assist owners of all the buildings in Hong Kong in conducting energy efficient assessments at a reasonable price. As with the case of London, England, it should also set up advisory centres in various districts and deploy staff to pay home visits to conduct assessments for members of the public, offer proposals on energy conservation, provide energy conservation subsidies for families implementing the proposals, and promote the territory-wide energy conservation campaign by beginning with each and every household in the community.

I think that the philosophy advocated by the "Barefoot College" of drawing on locally available materials to improve people's living is crucial. I agree with the remark made by Mrs Regina IP just now, that the villages where ancient people lived were, on the contrary, most compatible with the principle of sustainable development. It is only because modern people have done a lot of things that damage the environment in order to seek a comfortable life that many remedial measures have to be taken now.

Thank you, Deputy President.

MR IP WAI-MING (in Cantonese): Deputy President, global warming, which has resulted in abnormal weather and frequent extreme weather conditions, has awakened us to the importance of energy conservation and emission reduction and enhanced the community's awareness of environmental protection, which has also been the consensus of Hong Kong society over the years. The Government has all along been advocating the six priority industries, including environmental industries, in the hope that the creation of a large number of environmental projects can help boost the demand for skills and relevant services, which will in turn take forward the development of environmental industries. But unfortunately, the relevant measures are not supported by such actions; and even if there are practical actions, the strength is inadequate. In the 2009 Budget, the Government allocated HK\$900 million, which accounted for 0.06% of our Gross Domestic Product (GDP), for the promotion of energy conservation in buildings, and a mere HK\$8 million, which accounted for only 0.0005% of our GDP, for the development of renewable energy. In contrast, one of our neighbours, such as

the South Korean Government, invested 0.5% of its Gross National Product in energy conservation and improving the environmental efficiency of buildings, whereas the Central Government invested more than HK\$170 billion in the development of renewable energy. Despite its commitment in the Budget this year that HK\$30 billion will be injected into the development of environmental industries, the Government is still focused on how much economic growth the industries can bring to Hong Kong rather than putting emphasis on whether the quality of Hong Kong's environment can be improved. As an international city, Hong Kong should, besides catching up with the global economic and cultural trends, keep pace with the times in energy conservation and emission reduction rather than remaining at the stage of industrial development. Hence, I consider this motion proposed by Mr CHAN Kin-por today most timely. It is indeed imperative to urge the Government to step up its efforts in promoting its environmental protection policy, encouraging members of the public to participate in energy conservation and emission reduction campaigns, and enhancing Hong Kong's energy efficiency.

Next, Deputy President, I will indicate the voting preference of the Hong Kong Federation of Trade Unions (FTU) on various amendments. In our opinion, the way proposed in Mr KAM Nai-wai's amendment, that is the provision of an additional electricity charge subsidy of \$1,200 to an account whose electricity consumption in a half-year period is 5% or more lower than its consumption in the corresponding period of the previous year, is feasible. Moreover, it can motivate members of the public to cut down on electricity consumption. In fact, many environmental groups have organized a variety of emission reduction drives. For instance, a couple of years ago, the Tai Po Environmental Association launched a series of carbon reduction programmes and even promoted energy conservation installation schemes for private buildings (such as private housing estates and village houses) in Tai Po and energy conservation installations fitting and implementation schemes. Furthermore, it would assist in assessing the energy efficiency of the common areas in buildings and make recommendations on energy conservation. For the purpose of motivating members of the public to practise energy conservation and emission reduction, the Friends of the Earth has organized six Power Smart Contests, the purpose of which is quite similar to that of the programmes implemented by the Tai Po Environmental Association.

The Government must reflect on this: Why are all these emission reduction campaigns launched by local environment groups only? Members should understand that the effects of these campaigns may last for only a period of time. After these campaigns, the public awareness of energy saving may return to its original level. If the relevant programmes or contests can become the Government's long-term policy, it can lead to a long-lasting effect and, what is more, have a direct impact on the people's livelihood and enable them to develop a habit. Hence, we consider that an appropriate subsidy is necessary. By the same token, we approve of Ms Audrey EU's amendment. We think that it is a good idea to adopt effective taxation measures to encourage energy conservation. Nevertheless, I hope Ms EU can explain what is meant by "carrot and stick" and how it should be defined. I hope she can explain it clearly, so that we can understand the effectiveness of the measures. Hence, we are in favour of her amendment.

On the other hand, despite Mr KAM Nai-wai's mention of a measure to offer a subsidy in his amendment, the FTU cannot support his amendment because of his request on the Government to immediately shelve the plan of significantly increasing the use of nuclear power. I do appreciate the psychological impact of the Fukushima nuclear power incident, which was triggered by the earthquake that occurred in Japan in March last year, on the public, but Members should also clearly understand that a clean and high performance energy has not yet been found in modern times to completely replace coal and nuclear energy for power generation. We worry that, in the unlikely event that the plan is shelved immediately, the power companies will definitely switch back to using coal as the fuel for power generation. Coupled with limited resources, the depletion of coal will have an impact on power generation capacity and probably push up electricity tariffs. Hence, we have reservations about Mr KAM's amendment. In our opinion, members of the public will not subscribe to and be willing to complement the Government's energy conservation measures, unless its environmental protection policy is implemented without affecting their livelihood. Hence, we will encourage reducing the use of nuclear power for power generation if a clean and environmentally-friendly fuel can be found expeditiously to replace coal for power generation.

Deputy President, I so submit.

DR LAM TAI-FAI (in Cantonese): Deputy President, the worsening of the global warming problem will definitely have an impact on Hong Kong. If we wish to create a green society for our next generation and a better tomorrow, we must engage in GHG emission reduction and energy conservation. The participation of all members of the public is most crucial to fostering a green living, and in order for all members of the public to participate, it is imperative for the Government to propose effective support measures and take the lead in assisting members of the public in heading in this major direction in concrete terms.

Hong Kong is not endowed with natural resources. The energy we need in our daily life, including coal, crude oil, natural gas, and so on, has to be imported and then converted into electricity and gas. Electricity is our major energy. However, local power consumption has continued to increase year on year, with business customers, being the largest users, domestic users and industrial users accounting for up to 66.5%, 26.1% and 7.4% respectively of the local power consumption. Deputy President, the extremely low power consumption level of the industrial sector is actually attributed to the Government's failure to formulate a policy to promote industrial development over the years. From another angle, this may also be a very effective way to achieve energy conservation.

We all know that a high electricity consumption level will increase the amount of carbon emissions. Therefore, the Government must start from the basics by encouraging the two power companies to increase the proportion of electricity generation using the cleaner natural gas. Although the cost of using natural gas for power generation is relatively high, the Government can explore with the two power companies ways to set tariff rates at a more reasonable level while maintaining a stable supply of electricity.

On the other hand, the Government must actively implement the Framework Agreement on Hong Kong/Guangdong Co-operation to study the regional development strategy of cleaner energy and renewable energy, and to encourage their wider use and research, so as to explore other modes of energy supply.

Deputy President, the development of green buildings can effectively lower electricity consumption. The Government should take the lead and offer

incentives to motivate private developers to construct more green buildings by, for instance, making use of recyclable construction materials on the external walls of buildings by all means. Meanwhile, the Government should encourage the use of renewable energy technologies for buildings in various aspects by, for instance, pursuing development of solar energy, making use of more natural light, reducing the reliance on electric lighting, and employing more energy-saving windows and glasses in the design of buildings, with a view to effectively blocking sunlight, thereby reducing reliance on air conditioning.

Besides, the Government can also provide more financial support, encourage scientific researches and promote research on technologies of emission reductions by, for instance, setting up special funds for the research and development of green products and assisting more enterprises in the research, development, and production of green products, with a view to creating more green job opportunities while helping enterprises to upgrade their competitive edge.

In order to encourage more SMEs to do a better job in energy conservation, the Government will need to provide tax incentives, such as introducing tax deductions for energy conservation, with a view to encouraging the purchase and replacement of energy-saving machinery or equipment by SMEs. The Government may even consider providing rebates to SMEs which manage to save a certain amount of electricity for the difference in electricity tariff, for the purpose of encouraging energy conservation.

On the other hand, the Government can actually do an even better job in mass transit by providing good public transport networks and connecting roads for various infrastructure facilities and providing good connections between bus routes and rail links, so as to encourage more members of the public to use public transport.

Deputy President, the Government needs to step up its effort in promoting the popularization of electric vehicles. As of late October 2011, there were only some 220 electric vehicles, including 33 government-owned ones, running on the roads in Hong Kong. Compared to only 16 electric vehicles in Hong Kong in 2009, the number of electric vehicles has increased substantially, but it is still on the low side. It is imperative for the Government to review why electric vehicles cannot gain popularity in Hong Kong and examine if it is due to the

inconvenient location or inadequate number of charging facilities or the extremely limited models available as choices for the public. The Government must conduct an in-depth study and offer more initiatives to encourage the purchase of electric vehicles by motorists. As electric vehicles have not yet gained popularity, the Government should encourage more members of the public to purchase hybrid vehicles with a view to reducing emission.

When it comes to emission, the problem of air pollution in Hong Kong has begun to worsen day by day. Last year, the economic losses caused by air pollution reached HK\$40 billion. Besides expeditiously updating the Air Pollution Index, the Government may set new environmental impact assessment (EIA) standards for all government projects for early and pilot implementation. Meanwhile, the Government should also draw up guidelines to encourage more private enterprises to follow its practice of upgrading the EIA benchmarks. In this way, not only can the overall air quality be improved, SMEs can also achieve energy conservation and reduce carbon emission.

In order for the whole community to achieve energy conservation, we cannot rely solely on the ordinary masses and the business community. The Government must adopt a multi-pronged approach and formulate a comprehensive and sustainable strategy to turn Hong Kong into an international green city.

Deputy President, I so submit.

MR FREDERICK FUNG (in Cantonese): Deputy President, the extreme weather conditions brought about by climate change have become increasingly frequent and severe, causing significant impacts on the living environment of human beings. From droughts, heat waves to typhoons and floods, climate change has resulted in declining sources of water, changes in agricultural production and even loss of species and rampant diseases. All these crises are imminent, and we can no longer turn a blind eye or a deaf ear to them. Hong Kong needs to actively take part in the global endeavours to address climate change and make commitments to formulating mitigating and adaptation measures.

Although the authorities conducted public consultation on Hong Kong's climate change strategy and action agenda on 10 September 2010, putting forward a series of proposals that included maximizing energy efficiency, greening road transport, promoting the use of clean fuels for motor vehicles and revamping the fuel mix for electricity generation, it has been a year after the completion of the public consultation exercise and yet, we have not been told of the final collation and conclusion of the views, not to mention the formulation of a climate change strategy and action agenda. The entire plan of emission reduction target and timetable has all been shelved.

Deputy President, power generation is the major source of carbon emission in Hong Kong, taking up a share of nearly 67%. This is why emission reduction measures targeting power generation are obviously very important. In the current fuel mix for power generation in Hong Kong, coal accounts for 54% but carbon emission from coal-fired power generation is twice as much as that of power generation by natural gas, and it is even tens of times higher than nuclear power and renewable energy. For this reason, the Government proposed in the consultation document to increase the use of natural gas for power generation and at the same time attempted to achieve a share of 50% of nuclear power generation, in order to capitalize on the so-called advantages of nuclear power of having a low carbon footprint and stability in supply. Deputy President, this is the Government's wishful thinking, attempting to achieve the emission reduction target with the minimal measures and the least effort.

(THE PRESIDENT resumed the Chair)

However, the Fukushima nuclear crisis that broke out in March last year was the most lifelike demonstration of the adverse consequences of this shortcut. The extremely high safety standards of the nuclear plant had turned out to be entirely vulnerable to the tsunami. When it was impossible to cool down the fuel rods, a nuclear meltdown was resulted, followed by extensive radiation contamination which has stretched to the surrounding land and water as faraway as tens of kilometers away from the nuclear plant. Close to 100 000 people have been forced to flee their homes and they still do not know when they can return to their homes. President, the beautiful fantasy of nuclear power portrayed by human beings has been resolutely shattered to reveal the truth. The ability of

modern technology to control nuclear power has been widely questioned. People all over the world have discovered to their horror that man-made calamities are far more horrifying than natural disasters.

President, Hong Kong people have clearly expressed our opposition to increasing the use of nuclear power. Some time ago an environmental organization commissioned the Public Opinion Programme of the University of Hong Kong to conduct an opinion poll and results show that only 15% of the respondents considered that imported nuclear power should be increased in 2020. On the contrary, over half of the respondents considered that carbon emission should be reduced through energy conservation and development of renewable energy. This is exactly the same as my proposal made some time ago. I remember that a motion on "Concern about the impact of the earthquake in Japan on Hong Kong" was passed in March last year after the outbreak of the Fukushima nuclear crisis. I moved an amendment to the motion at the time which precisely appealed to the SAR Government to learn a lesson from the worldwide panic caused by the nuclear power incident in Fukushima and completely shelve the proposal of increasing the proportion of imported nuclear power to 50%, and achieve the objective of emission reduction by conserving energy and developing renewable energy.

Therefore, President, the Government can no longer take the shortcut of nuclear power, and energy conservation and development of renewable energy are the only ways to fill the gap in the demand for energy and reducing carbon emission in future. Certainly, we cannot deny or be so naïve as to think that renewable energy can be developed into a major source of power in one go with present-day technologies despite limitations in Hong Kong's geographical and natural environment.

Having said that, we must still ask: Is there no way out for the development of renewable energy because the cost is high and the effectiveness low? Can we grasp the time and make use of the available land on the Mainland as well as the support pledged by the 12th Five Year Plan for new energy to comprehensively plough in more resources for studying, developing, and opening up renewable energy resources? Should the SAR Government work for a higher goal of creating a low-carbon pattern of economic development based on low energy consumption to serve as a model for reference by the Mainland in its rapid economic development? This is an issue that warrants our in-depth thoughts.

President, I have spoken at length today with the purpose of highlighting the theme of our discussion today — energy conservation. Certainly, there is little difference between the proposals made by various political parties or groupings today and those that have long been advocated by the Hong Kong Association for Democracy and People's Livelihood. However, I wish to look at this issue from a "self" angle today. Energy conservation is the most viable option for meeting the demand for energy and achieving the emission reduction target, and what matters is not the will of the leadership or the need for support by high technology.

President, perhaps from the beginning of the development of representative government to nowadays when the social network has become highly popular, we have already grown accustomed to making all forms of criticisms and making too many demands on other people when we feel dissatisfied, while adamantly insisting on our own perceptions. While this may not give cause to much criticism, our ability of soul-searching has nevertheless been diminishing in the meantime.

On the contrary, energy conservation requires us to start from ourselves and to start from taking actions by ourselves. Of course, there will be policies and incentive measures that can provide support. But let us not forget that the rising demand for electricity is inextricably related to the activities and living habits of human beings. As long as we can start with the small details in our living, say, from a lamp to the smartphone that we carry with us everywhere we go, and endeavour to fundamentally simplify our lifestyle and change the habits of excessive consumption and wastage of electricity, the overall electricity demand will naturally come down.

With these remarks, President, I support the motion.

MR JEFFREY LAM (in Cantonese): President, in order to address climate change, most countries worldwide have promoted the objectives of and measures for conserving energy, reducing emission and cherishing resources, and Hong Kong should also take up our responsibilities in this cause. We must make concerted efforts and take actions early, with a view to reducing the emission of green house gases (GHG) and the damage to natural resources. Only in this way can Hong Kong achieve sustainable development. We, therefore, consider the

spirit of this motion today worthy of support. We also hope that the Government (especially the new Government) will have long-term plans, take precautions and set a good example by promoting and popularizing energy conservation.

In recent years, the Earth has been sending warnings to us. Extreme climate changes and natural disasters such as earthquakes, floods and storms, have occurred more and more frequently to an increasingly serious extent. These natural disasters are closely related to human production activities, their excessive wastage of resources and the environmental damages that they have done to the Earth. I do not think I need to explain them one by one here.

How should Hong Kong assume its responsibilities to reduce GHG emission? As we all know, power generation currently constitutes the major source of GHG emission in Hong Kong. To reduce emission, the most effective way is to use clean fuels for power generation. Nuclear power is a clean energy, but the Fukushima nuclear plant crisis caused by the massive earthquake in Japan last year has aroused the concern of countries all over the world. It is an important issue globally as to how, in using nuclear power, we can at the same time ensure that nuclear power is absolutely safe.

At present, in the fuel mix for power generation in Hong Kong, coal accounts for 54%, while natural gas and nuclear power each takes up 23%. In the public consultation document on Hong Kong's Climate Change Strategy and Action Agenda, the Government proposed that by 2020, nuclear power generation should be increased from 23% to 50% in the fuel mix for electricity generation, while the share of natural gas should be increased from 23% to 40% and coal should account for no more than 10%. This is a good trend and a correct direction for energy conservation and emission reduction. However, it is imperative for us to ensure the safe use of nuclear power.

Last year, the Fukushima nuclear plant crisis triggered by the massive earthquake in Japan has sparked off global concerns about the safety of nuclear power. People in Hong Kong and the Mainland are gravely concerned about the safety of nuclear plants. The nuclear power used in Hong Kong is purchased from the Mainland, and while we do not take the initiative to develop nuclear plants, the development of nuclear plants and the trend of using nuclear power in Guangdong Province are unlikely to change, because nuclear power is a resource

capable of meeting the emission reduction target and ensuring a stable supply of electricity at reasonable costs.

On the use of nuclear power, we cannot throw the baby out with the bathwater or shelve the plan on the use of nuclear power in a broad-brush manner. After all, even if we refrain from using nuclear power, we still cannot change the reality of nuclear power plants being developed in other places, for it is an important national policy of many countries to reduce emission through the safe use of nuclear energy. The key is our participation in it. We should participate in monitoring the safe operation of nuclear plants through the purchase agreements for nuclear power. We are certainly concerned about the safety of nuclear power but it is also necessary to conserve energy and reduce emission. We must strike a balance between them.

We believe the public support the reduction of emission and they also hope that nuclear power can be used safely. The Government should develop a stronger awareness of crisis. Apart from strengthening the mechanism for reporting incidents in nuclear plants in the Mainland to ensure transparency and timely reports, the Government should also make adequate preparations for contingency. Last year, the Government said that nuclear power incident and safety drills will be conducted this year. I hope that the Government will announce as soon as possible the details of the arrangements concerned and step up public education and publicity.

Moreover, to achieve emission reduction, apart from conserving resources, we also have to pay a price for it. The public are very concerned about whether electricity tariffs will be increased substantially as a result of the use of energy conservation facilities. This year, the tariff increases proposed by the two power companies have aroused great controversies in society and caused public discontent. I hope that when discussing the new fuel mix for electricity generation in future, the Government should, apart from facilitating co-ordination between the technologies, supporting facilities and safety, also ensure a high degree of transparency in respect of the Scheme of Control Agreements and capital investment. While it is necessary to guarantee a stable supply of electricity, it is also necessary to stabilize the tariffs, in order not to add to the burden on domestic users and industrial and commercial users.

Meanwhile, I do not support the implementation of a progressive tariff structure because heavy users of electricity, such as factories and offices, still

need to consume a certain amount of electricity even though they try to "scrimp and save" on electricity consumption, and there is no reason to ask restaurants and offices to operate in the dark. Many people consider that a progressive tariff structure is unfair to industrial and commercial users and that it will affect the business environment in one way or another. Instead, the Government had better put in more efforts to study how to provide the industrial and commercial sectors with more incentives to conserve energy and reduce emission.

President, to achieve energy conservation and emission reduction, a multi-pronged approach should be adopted, which includes starting by conserving energy at source and actively developing renewable energy. More importantly, the concepts of energy conservation and emission reduction should be incorporated into the administration of the Government and the daily living of the people.

President, I so submit.

MS MIRIAM LAU (in Cantonese): President, owing to climate change and the nuclear crisis, the Doomsday Clock ticked one minute forward last month and is now only five minutes to midnight, which means doomsday. Under the shadow of the Fukushima nuclear incident, countries all over the world have re-examined the issue of nuclear safety. The Central Government has called a halt to all the new nuclear power development projects in the country and the ban remains in force even now. I think Hong Kong, being a member of the global village, should contribute towards the well-being of the Earth. We must make an effort to conserve energy, in order to work in concert to help prevent the doomsday predictions from coming true.

Hong Kong lacks energy and resources, and we face many limitations in the development of renewable energy. If the use of nuclear power is out of the question and in order to reduce carbon emission, the transmission of natural gas from West to East may become the only option. But while the crazy tariff increase proposals put forward by the two power companies some time ago still ring in our ears, I am afraid an increase in the proportion of natural gas in the fuel mix for power generation would give the two power companies another excuse to increase tariffs. It is indeed difficult to guarantee that the two power companies,

with the halo of environmental protection, would not seize the opportunity to extort money wantonly.

For this reason, the Liberal Party considers that the Government should take the opportunity of the interim review of the Scheme of Control Agreement in 2013 to improve the mechanism by all means. The Government should also enhance transparency to enable members of the community to monitor the two power companies directly, so as to deter them from playing the same old trick in future to substantially increase the tariffs on various pretexts.

In fact, as coal, which has a high level of emissions, remains the primary fuel for power generation in Hong Kong, power generation has, therefore, become the major source of carbon emission in the territory. In this connection, before safe and clean energy can be identified, we must explore ways to conserve energy and reduce emission, in order to mitigate climate change.

Three years ago, the Government introduced the Buildings Energy Efficiency Funding Scheme which provides funding for owners to carry out carbon audits and enhancement of energy efficiency. Approval has been granted for more than 750 projects, involving a funding of over \$300 million, and this shows that the Scheme has been quite well-received. In this connection, the Liberal Party hopes that the Government will continue to inject funding into this Scheme to benefit more buildings and enable them to conserve energy and reduce emission effectively.

Having said that, in order to broaden the benefits of energy conservation, apart from using energy-efficient tools more often, it is all the more necessary to popularize the energy conservation campaign, so as to encourage enterprises and the public to conduct carbon audits and enable various sectors of the community to understand their "carbon footprints". Only in this way can the right cure be prescribed to address the problem, such that appropriate proposals can be drawn up for energy conservation. The Government should take the lead to conduct carbon audits and implement energy conservation measures, with a view to encouraging enterprises and the public to follow suit.

President, financial incentives are part and parcel of the efforts made to encourage the public to conserve energy. The Liberal Party proposed as early as in 2009 the introduction of a "power-saving coupon scheme" whereby an account

that manages to reduce the quarterly electricity consumption by 5% or more than its consumption during the corresponding period in the previous year can receive an electricity tariff subsidy of \$250 in the following quarter, and the amount of subsidy can be accumulated to a maximum of \$1,000. This can encourage energy conservation among the public and help users develop a consistent habit of conserving energy, hence achieving the emission reduction target. And it can reduce the tariffs payable by users and alleviate the pressure of electricity tariffs on the public. In this connection, Mr KAM Nai-wai has included our proposal in his amendment and increase the amount to \$1,200. We certainly welcome it and hope that the Government will accept it.

On the other hand, the industrial and commercial sectors are, in fact, very supportive of the energy conservation campaign. They have organized on their own initiative a host of energy conservation activities but as it often costs a large amount of money to retrofit energy-saving equipment, this will indeed constitute a heavy burden on SMEs and particularly, given the uncertain economic conditions now, it is all the more difficult for them to allocate funds for this purpose. For this reason, the Government should consider providing tax concessions to enterprises for the installation of energy-saving equipment, in order to help enterprises change their high-consumption mode of operation or launch projects to conserve energy and reduce carbon emission.

President, electricity aside, transportation also consumes large amounts of fuels. Following technological advancement, places all over the world have developed many kinds of energy-saving motor vehicles. In view of this, the Liberal Party considers that the authorities should implement more proactive measures, such as adopting more progressive policies on tax concessions, to encourage the introduction of new models of environmentally-friendly vehicles, such as electric vehicles, hybrid vehicles and green vehicles that comply with the latest emission standards of the European Union. Meanwhile, more support facilities should also be provided, such as providing more quick charging stations, with a view to reducing the consumption of fossil fuels.

Mr KAM Nai-wai has proposed the provision of tax allowance to people who purchase energy efficient products with Grade 1 energy label. We very much support this proposal. We consider that this can facilitate environmental protection and energy conservation.

Ms Audrey EU has proposed to switch to a progressive tariff structure, so that high consumption users will identify ways to reduce their electricity consumption, in order to save money. On the surface, this is in line with the principle of environmental protection but if we think about it at greater depth, we will find that many industries with high electricity consumption have long made their utmost effort to reduce their consumption as a means to reduce costs and so, there is only a very small possibility for them to further cut down on their electricity consumption by a large margin. Once the tariff structure is changed, the business operators in the high-energy-consumption industries to be affected, including laundry shops, restaurants, and so on, which are frequently patronized by the public, will be hit hard and even be forced to transfer the cost hikes onto consumers. Therefore, such a change must be considered thoroughly and not be proceeded with rashly.

President, I so submit.

MS CYD HO (in Cantonese): President, the theme of this original motion today is a "territory-wide energy conservation campaign". We often talk about the need to develop new energy resources but in fact, coal used to be a new energy too, just that coal will be used up one day, and even natural gas will also be used up one day. Nuclear power is, however, full of perils. We have seen the havoc wreaked by the Fukushima nuclear power plant, but it still remains unknown as to how extensive and far-reaching the consequences will be. The development of renewable energy is a correct direction but it may not be sufficient to support such spendthrift and extravagant way of living of human beings. There have been suggestions that technology should be applied to change the electrical appliances that we are using now into "energy-saving products". But still, the objective of this proposal is to enable people to continuously enjoy the extravagance and convenience they are enjoying now.

In the final analysis, all the people should actually change their habits of living, reducing unnecessary worldly possessions and taming the desire for material comfort. This is not just about switching off the lights. Rather, the key lies in reducing spending, because it actually requires large quantities of water and electricity to produce many unnecessary commodities. This change in the habits of living is in itself a campaign to transform social norms and the prevailing customs.

For example, when it comes to purchasing a car, people used to think that one must buy a vehicle with a large capacity, a new model and must always change his vehicle in order to show his social status as a car owner. The more expensive the vehicle is, the more prominent the social status of the car owner. This really cannot be changed, President. Yesterday, in an interview conducted by Cable TV, a wealthy woman drew an equal sign between customers and God, asking the shopkeeper to serve her as if she was serving God. When spending power is considered to be the equivalent of power, people will not be inclined to reduce spending. But the worst is that for people who do not have the means to spend but have to provide services to others, they cannot develop values or perceptions that transcend the economy, money and material comfort, thus making them feel inferior in the face of money. In this connection, the Government should enhance humanities education in this society of Hong Kong, so that people can develop self-confidence that transcends materialism. Only in this way can energy conservation be truly promoted and spending be reduced.

Take riding a bicycle as an example. As repeatedly proposed by the Legislative Council Commission, it is hoped that space can be provided for parking bicycles, and it is also hoped that the Government can be committed to developing cycle tracks. In fact, a person who rides on a bicycle does not have to feel inferior in front of a gorgeous motor car. As long as we have an awareness of the environmental hazards, a good understanding of them and the convictions, we will naturally have the breadth of mind.

Another example is that when we get the blues, especially when this happens to women, do not try to relieve ourselves of stress by buying a pair of shoes. Have we ever thought that when we feel depressed, we can relieve ourselves of such stress by going to the seaside to enjoy the sea breezes? But why do people in this society invariably rely on money and materials to build up their self-confidence? If we do not address the problem at root, we would only be using some "utilitarian" methods to save energy without changing our habits of living fundamentally.

Certainly, even if members of the public are willing to change their habits of living, the Government should still play its role properly. As Ms Audrey EU said earlier on and as proposed in her amendment, the Government should provide incentives or impose levies as punishment, with a view to encouraging energy conservation. Moreover, the Government can also play the role of a

facilitator and provide convenience to people who wish to live a simple, thrifty life, so that there are ways for them to keep up their simple, thrifty way of life. Turning back to cycle tracks and parking spaces for bicycles that I have just mentioned, in view of the severity of roadside emissions, if bicycles can be used as a means of transport or if people can travel on foot, it would indeed reduce exhaust emission substantially.

Let me put forward another proposal. Can the Government consider reducing the plot ratio for buildings the windows of which cannot be opened? Take this Legislative Council Complex as an example. It turns out that the windows of the Complex can be opened by only three to four inches, and when volatile compounds are found indoors and cause discomfort to our eyes, we have to seek assistance from colleagues in order to open the windows. When developing this Complex, the Government claimed that it was meant to be a green building, but why is it that even the windows of the Complex cannot be opened easily?

When dealing with the plot ratio of buildings, the Government will increase the plot ratio for buildings with green balconies, thus allowing the buildings to inflate their area. If the property development project provides a transport interchange, it is allowed to inflate its area by as much as 40%. Why can we not reduce the plot ratio of a building that does not duly provide environmentally-friendly facilities? This proposal is reasonable, because buildings the windows of which cannot be opened need more air conditioning and hence, more space is naturally needed between the building and other buildings to allow the circulation of air and hot exhaust gases. This shows that the proposal is reasonable.

Certainly, I also have to urge the Government to expeditiously enact legislation to reduce light pollution, because no matter how well the public have done to save energy and to remember to switch off the lights, the power hence saved is still no match for the amount of electricity consumed by those signboards that are illuminated as brightly as broad daylight in downtown areas. I do not understand why it seems that these places just do not allow the night to fall, as the lights are not switched off even at 3 am or 4 am, even affecting the general public in their sleep.

Apart from the determination of the Government, we also need the determination of political parties. We have a subcommittee currently looking into the bus routes. Members of the Legislative Council have often proposed to reduce the frequency of certain routes in order to rationalize the bus routes but when such proposals reach the District Councils (DCs), they would meet opposition from DC members who belong to the same political parties of the Legislative Council Members. Therefore, we have stressed the need for all political parties to enhance communication between their DC members and Members of the Legislative Council, so that they can join hands to take practical steps to reduce exhaust emissions and negotiate with the bus companies the reduction of bus trips that are considered unnecessary.

As regards new technology, in fact, they may not necessarily be reliable. Yesterday, we saw that the technology used to capture carbon dioxide in Australia had met challenges as people queried that with too much carbon dioxide buried underground, the marine ecosystem might be affected in the future. When reliable and proven technology has yet to be identified to help us, changing the habits of living and government facilitation of energy conservation should be the best and the most effective way.

DR RAYMOND HO (in Cantonese): President, the adverse consequences of excessive exploitation of natural resources by human beings have begun to surface gradually. Climate change is precisely one of the resultant problems. More and more evidence has shown that climate change is caused by greenhouse gases (GHG). Many countries in the world have already felt the impact of climate change, and disasters caused by extreme weather conditions have occurred more and more frequently. If we turn a blind eye to climate change, the natural ecology and all human communities in the world will be affected and damaged.

Over the past two decades, the total GHG emissions in Hong Kong have been on a rising trend. The total GHG emissions in Hong Kong have increased from 35.3 million tonnes carbon dioxide equivalent (CO₂-e) in 1990 to 42 million tonnes CO₂-e in 2008. Energy consumption is the major source of GHG emissions in Hong Kong, and the power generation sector accounts for about 67% of the GHG emissions. The electricity consumed locally is mainly

generated by the more polluting fuels and in 2009, coal took up the largest share of about 54%.

In 2008, the total GHG emissions in Hong Kong were about 42 million tonnes CO₂-e, or around 6 tonnes on a per capita basis, accounting for about 0.1% of the global emission volume. The carbon intensity (that is, CO₂-e per unit of GDP) was 0.025 kilograms. Although Hong Kong's per capital carbon emission of 6 tonnes is still slightly lower than the global average of 7 tonnes and also lower than the levels in developed countries or regions in general, such as 9 tonnes in Singapore, 10 tonnes in Japan, 23 tonnes in the United States and 26 tonnes in Australia, Hong Kong, being a developed economy, is duty-bound to reduce GHG emissions, especially having regard to our State strategy of future development, including resolutely upholding the principle of green development and the building of a resource-conservation and environmentally-friendly society as proposed in the 12th Five Year Plan.

As early as in 2001 I proposed a motion in this Council to call on the Government to adopt effective measures as soon as possible to expedite the development of renewable energy resources and their introduction into Hong Kong, but it took almost a decade for the Government to make a proposal in the public consultation paper on Hong Kong's Climate Change Strategy and Action Agenda issued in 2010 concerning the fuel mix for power generation in 2020. It includes increasing the share of renewable energy in the fuel mix from 3% to 4%, whereas the proportions of natural gas and nuclear power will be increased to 40% and 50% respectively. However, the proposal to increase the use of nuclear power has changed because of public concern aroused by the incident of the Daiichi nuclear power plant in Fukushima, Japan.

Concerning the proportion of nuclear power in the future fuel mix for power generation in Hong Kong, Hong Kong people must seriously consider the pros and cons of increasing its proportion. Here, I wish to make a declaration first. I am the Chairman of the Guangdong Daya Bay Nuclear Plant and Lingao Nuclear Plant Safety Consultative Committee. It is understandable that the public are concerned about the safety of nuclear power generation in the wake of the Fukushima incident, but if Hong Kong has decided to give up increasing the proportion of nuclear power, we would have to maintain coal-fired generation or increase the share of natural gas. In the former case, we would go against the objective of emission reduction and the air quality of Hong Kong would worsen,

whereas in the latter case, the higher cost involved would cause pressure for a tariff increase, and in respect of renewable energy, we can only consider a proportion of 1% to 3% at present.

Given that society may need time to discuss and reach a consensus on the future fuel mix for power generation, the Government should, where possible, introduce measures that can be implemented immediately to reduce local GHG emissions, and one of the possible ways is for the Government to take the lead to promote energy conservation on a territory-wide basis. This can manifest the Government's determination to conserve energy and reduce emissions and also set a positive example. At present, electricity consumed by buildings accounts for 90% of local electricity consumption and at least 60% of Hong Kong's GHG emissions. As government buildings can be found in all parts of the territory and if their energy efficiency can be enhanced, GHG emissions can be substantially reduced and the Government's electricity consumption and expenditure on energy can also be reduced.

The energy-saving measures taken by the Government can set an example for other enterprises and encourage them to engage in energy conservation and enhance energy efficiency, thereby further promoting energy conservation and emission reduction. This can also reduce the operational cost of enterprises and enhance their competitiveness. In the meantime, the Government should, through various publicity channels, promote the benefits of energy conservation to the public and enhance their knowledge of low-carbon living, with a view to enabling them to understand the advantages of conserving energy. Energy conservation is conducive to the sustainable development of Hong Kong and it can also help the public reduce the relevant expenditure, thus killing two birds with one stone.

On the other hand, traffic and transport, which accounts for 18% of Hong Kong's total GHG emissions, is the second largest emission source. In June last year, I proposed a motion in the Legislative Council to urge the Government to formulate a development strategy for a low-carbon traffic and transport system as soon as possible and suggested the Government to implement a series of measures which included giving priority to developing railway networks and expediting the expansion of the existing railway networks; promoting green modes of traffic and transport as well as application of related techniques; proactively developing pedestrian facilities and pedestrian precincts; and

promoting a healthy lifestyle, and encouraging people to travel on foot or by bicycle between destinations which were within appropriate distance. I hope that the Government can seriously study and implement these proposals.

President, in order to address climate change, it is everyone's duty to save energy and reduce emission. If the Government can play a leading role and set an example, this will help convey the message to every stratum and encourage active participation by each and every member of the community. Thank you, President.

MR WONG TING-KWONG (in Cantonese): President, there is bound to be one day when natural resources are exhausted and with the passage of time and incessant human activities, energy resources will only become scarcer and more expensive than ever. The fact that the prices of petroleum only rise but never come down is solid proof. So the idea of conserving energy was raised decades ago. And now people are using all sorts of ways to produce energy and consume energy. However, there is a greater awareness of energy conservation than in the past. For the sake of the sustainable development of mankind, I support the idea that a territory-wide energy conservation campaign should be promoted and this should be made a permanent policy.

Apart from the original motion moved by Mr CHAN Kin-por, there are amendments from other Members who have made many suggestions today. I would like to comment in particular on the proposals made by Ms Audrey EU, including those on implementing a progressive tariff structure and making it a mandatory requirement for listed companies to conduct energy audits and carbon audits.

On the question of a progressive tariff structure, when the power consumption reaches a certain level, each extra unit consumed will lead to a greater amount of tariff. In a ladder-like progressive tariff system, the increase in tariff can be done by steps like going up the rungs of a ladder. Now this kind of charging system is used in Taiwan and in the United States. Of course, the Hong Kong Government will say that the two power companies have already adopted this kind of progressive tariff structure. But actually the system is very complicated, unlike the abovementioned system. And the design of tariff

charging is only based on commercial considerations, so it is doubtful whether it can really achieve the aim of energy conservation.

The implementation of an ideal progressive tariff structure in Hong Kong, whereby those who use more should pay more, will in fact entail a major change in the current tariff structure, and it is really true to say that any slight change made to the system will result in significant implications. While it is important to explain to the public and the commercial users and foster a consensus, a lot of time would be required and one cannot expect any change overnight. My greatest worry lies in the impact on the SMEs because under the principle of those who use more should pay more, there is bound to be cost pressure on the SMEs. They have to face the influences of the economic conditions and the challenges from competitors. It would not be easy for them to transfer the additional costs onto the consumers. Even if some of these enterprises will do so, I doubt whether this practice will really achieve any result in energy conservation.

The amendment also proposes that listed companies should be mandatorily required to conduct energy audits and carbon audits. Energy audits employ quantifiable and non-quantifiable technologies to manage energy while carbon audits employ a set of procedures to measure, assess, report on and verify the amount of greenhouse gases emitted by an entity or a place both directly and indirectly.

We can find similar laws in Australia. In Australia, a mandatory registration and reporting system has been set up by virtue of the National Greenhouse and Energy Reporting Act 2007. It is prescribed that should the emissions from an enterprise reach a certain level, that enterprise shall be required to report on the relevant figures and pay a certain tax. Failing to do so will make the directors of that company liable to a maximum fine of A\$220,000. Generally speaking, if the annual emissions of an enterprise are more than 25 000 tonnes of carbon dioxide or if it consumes more than 25 000 megawatts of electricity or 2.5 million litres of fuel a year, it is required to file reports.

The DAB thinks that the Australian practice can be reference for us. But we should try to avoid adopting an across-the-board approach, and a relevant energy conservation law should be enacted in a gradual and orderly manner. As suggested in the amendment, we should start by making it a mandatory

requirement for listed companies for they have the resources and capabilities to be the pioneers. Therefore, we think that the issue should be further explored later. It is our view that only when the public has gained a greater understanding of and reached a consensus on it that the idea can be promoted effectively.

The DAB supports energy conservation. But we think this should be achieved through the use of various means and continuous education and encouragement of the public. Energy conservation should start from each person, and then spread to all areas. Efforts in energy conservation should be gathered from each of the small moves we take in our daily life and the ultimate goal we have in mind can then be achieved. By so doing, the people would also have a better understanding of and more entrenched ideas of energy conservation.

With these remarks, President, I support the original motion and the amendment from Mr CHAN Hak-kan. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may speak on the three amendments now. You can speak for up to five minutes.

MR CHAN KIN-POR (in Cantonese): First of all, I wish to thank the three Members who have proposed amendments to the motion respectively.

The amendment by Mr KAM Nai-wai mainly demands that the Government should shelve the plan of significantly increasing the use of nuclear power and introduce measures to encourage the public and the business sector to conserve energy. I agree to these. I support in particular his idea of urging the bus companies to phase out and replace buses with high emissions. The amendment from Mr CHAN Hak-kan is also correct, so I will support it.

There are many good suggestions in Ms Audrey EU's amendment. But I am a bit worried about her idea of implementing a progressive tariff structure.

This is because Ms EU is not talking about conducting studies on the subject but implementing in. It remains, of course, that her intention is commendable and she hopes that less electricity will be consumed. It is unfortunate, however, that power consumption in many trades is quite considerable but these trades may not be able to reduce their power consumption because of the practical needs of business operation.

Now the power tariffs in Hong Kong are very expensive and if a progressive system is adopted, it may only benefit the two power companies and the result will be both the public and the commercial undertakings having to pay more in tariffs. I do not want to see this happen and so I think that the idea warrants careful study.

Thank you, President.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Honourable Members, I thank Members once again for speaking on the motion proposed by Mr CHAN Kin-por.

Members' speeches have basically focused on encouraging energy conservation and stressed that improving energy efficiency is a means to create a low-carbon environmentally-friendly society. I believe we all share the same goal, and our difference lies only in the methods to be adopted, the strength of the measures to be taken, and the channels to be used to engage the Government, the public and society as a whole. I believe these are the key points made by Members in their speeches.

President, in my opening remarks earlier on, I have, apart from expressing support for the objective of the motion, also explained in detail the various directions emphasized by the Government (especially in the past few years) in promoting this area of work, including the enactment of legislation, such as the Buildings Energy Efficiency Ordinance, and tightening the standards in parallel with the enactment of legislation.

We have mentioned the provision of government subsidies, and other than subsidies for buildings, we have provided subsidies for electric vehicles. We have mentioned that work is taken forward through infrastructure, such as the

district cooling system, and that carbon audits are promoted to enable members of the public and enterprises to understand their carbon footprints. We have mentioned the choices of consumers as well as the work initiated and led by the Government. I am not going to repeat the details here.

Mr CHAN Kin-por said that an objective has to be set. Insofar as the Government is concerned, the setting of an objective always entails a process. In 2011, the Asia-Pacific Economic Co-operation (APEC) agreed that the goal of reducing the energy intensity by 25% in 2035 by its member economies (including Hong Kong) be revised upwards to a reduction target of 45%, with 2005 as the base year. Hong Kong, as a member economy of APEC, has also agreed to work towards this goal.

However, if we compare this standard with the targets proposed in Hong Kong's Climate Change Strategy and Action Agenda (Action Agenda) published in September 2010, which are targets set by Hong Kong itself, we can see that the targets in the Action Agenda are even more stringent. In the consultation paper, we stated our wish to reduce carbon intensity by 50% to 60% by 2020 (which is nearer in time). Meeting this standard would mean a reduction of 19% to 33% in the total emissions and a reduction of 27% to 42% in per capita carbon emissions.

Certainly, after the publication of the consultation paper, the biggest problem is whether or not the target relating to the fuel mix can be met, and given the impact of the Fukushima incident, this is still under discussion now. But a noteworthy point that can also respond to the views of a number of Members is that Hong Kong did not put all the emphasis on the fuel mix when drawing up our own Action Agenda. On the contrary, the consultation paper stated right at the outset and especially in Chapter 5 that the Government will work in the five directions proposed in the Action Agenda, which include "maximizing energy efficiency" as the first and foremost task (which precisely echoes the theme of this motion today); "greening road transport" as mentioned by some Members (and Hong Kong has all along been doing quite well in this respect); "promoting the use of clean fuels for motor vehicles" as mentioned by some Members; fourthly, "turning waste to energy" (and we hope to achieve this in the waste disposal facilities in future); and fifthly, "revamping fuel mix for electricity generation".

In formulating these targets of our own, we do not just set the targets in terms of figures. We have also tried to implement initiatives in the five areas that I have just mentioned in our directions and in line with the Action Agenda. Certainly, the question remains whether or not the targets that I have just stated can be fully achieved simply by conserving energy or improving energy efficiency.

With regard to these higher and more stringent targets in our plan, I think we may not be able to achieve them by simply relying on energy conservation. Even though direction-wise, as I mentioned in my opening remarks, we have seen improvement in energy consumption over the past few years, the demand for energy is still increasing in general following the population growth and economic growth in spite of some adjustments in the rate of increase.

In this connection, while I think it is a correct direction to promote energy conservation and enhance energy efficiency, can we fully meet the targets by working merely in this direction? I believe Members will all agree that work in the four areas mentioned by me just now, as Members also said in their speeches, will need to be carried out simultaneously.

Members spoke of a diversity of incentives, subsidies or tax rebates, and we have indeed implemented these measures over the past few years. For instance, to facilitate the introduction of electric vehicles, the first registration tax is waived and besides, as it is particularly mentioned earlier, an example is the \$450 million Buildings Energy Efficiency Funding Schemes. We hope that energy conservation measures can be adopted in the common areas of at least one fifth of the buildings in Hong Kong. I think Members all support this. But does it mean that all these incentives should be fully subsidized by the Government? I think this will be an issue for discussion in society.

Take the funding schemes as an example. The objective of the Government is to facilitate energy conservation and enhancement of energy efficiency in part of or a considerable part of the buildings, but it is not the case that the Government should provide full subsidies to the several tens of thousand buildings in Hong Kong. Therefore, our objective is to kick-start work in this area.

We understand that in the process, very often, apart from practical measures, awareness is also very important. It is because at the level of

enterprises or households, we have found that many members of the public do not fully understand that taking energy-saving measures can practically benefit them. By granting subsidies on a matching basis under the funding schemes, we precisely aim to provide incentives to encourage them to adopt energy conservation measures. Also, we hope to extend the work of awareness enhancement to enterprises. In respect of carbon audits as mentioned by a number of Members, we will proactively launch the relevant work.

From the speeches made by Members earlier on, I have particularly noticed that our views may be different on a number of points. I wish to take this opportunity to express our position.

The first point is about the tariff structure. Some Members mentioned that the arrangement for "higher charge for higher consumption" should be built into the tariff structure, or even punishment should be imposed to change the relevant behaviour.

I think insofar as tariffs are concerned, Members all agree on the principle of "higher charge for higher consumption". But from the experience of the recent tariff adjustments proposed by the two power companies, we can clearly see that in upholding the principle of "higher charge for higher consumption" and in actually putting it into practice, controversies may be aroused. At the domestic level, there may be less controversy. A residential flat with a large area consumes more electricity and hence, more tariffs should be payable, and this will cause less controversy in society. But in respect of enterprises, especially those accounts paying high tariffs, they may not have the highest energy consumption. Some Members have also mentioned this point.

In this connection, I think in respect of the adjustment of electricity tariffs and from the experience of the recent tariff adjustments, we have put across a very clear message to the power companies that while upholding the principle of "higher charge for higher consumption" and even though the underlying rationale is that we support the principle of "higher charge for higher consumption", they must not adopt a broad-brush approach in actually enforcing it. It is necessary to conduct adequate consultation in order to really put this good intention into practice.

Some Members mentioned the levying of a carbon tax, stating that other countries or places have attempted to implement similar initiatives. I have

noticed that in many economies or countries where a carbon tax is levied, such tax normally targets mainly on industries or power generation, and the original intention is to reduce carbon emissions through this tax.

In the case of Hong Kong, if we look at the carbon footprints in the territory, we will find that over 60% of the carbon emissions come from electricity generation and buildings. If a carbon tax is levied, the burden of this tax will fall on the many electricity accounts, most of which are households and small and medium enterprises (SMEs). In that case, can this tax be really levied mainly on industries and sectors with high emissions as it is the case in foreign countries, as a means to mitigate carbon emissions? I think Members will agree that in-depth studies and discussions are necessary before this can be taken forward.

Moreover, some Members mentioned the provision of incentives for energy conservation and proposed that these incentives be subsidized by public coffers. In fact, insofar as energy conservation is concerned, if members of the public are aware that saving energy can reduce their expenditure, is it necessary to further provide subsidies entirely from public coffers? I believe such a policy warrants in-depth discussion.

Having said that, with regard to the proposal of promoting carbon audits put forward by Members, the Government very much agrees to this position. Over the past fortnight, the Environment and Conservation Fund has received applications from trade associations and business organizations proposing ways to carry out carbon audits in enterprises, especially in SMEs, in the hope that with the subsidies provided to them, they can mobilize hundreds of enterprises in Hong Kong to carry out carbon audits, and the information obtained from the carbon audits will then be categorized by major industries and made public to facilitate mutual understanding and corroboration among members of the same industry. I believe this can complement the work of carbon audits at its start.

Some Members mentioned adopting measures to encourage travelling by bicycle and on foot. The Government shares this view. On the issue of low-carbon transport, it has been a key direction of the Government to work towards green transport with railway serving as the backbone. We have also noticed that traffic and transport in Hong Kong accounts for only 18% of the

carbon emissions, which is far lower than the figures in many other similar economies.

Moreover, we have continued to encourage the use of pedestrian crossing facilities, including footbridges and subway networks, putting particular emphasis on pedestrian facilities connecting with railway stations, such as the Central to Mid-levels Escalator and Walkway System, and the 3 km footbridge network along Sheng Wan, Central and Admiralty stations. In such busy districts as Causeway Bay and Mong Kok, the Government is looking into the proposal of providing new pedestrian walkway systems and conducting technical feasibility studies.

Regarding the proposals of installing covers, escalators and lifts along district pedestrian walkways, as it is necessary to take into consideration such factors as transport demand, pedestrian flow and the environmental constraints of the places concerned, the relevant departments will follow up these proposals on their individual merits.

Concerning the transport policy on bicycles, we will provide cycle tracks and the relevant facilities in lower-density new town areas in the New Territories where conditions permit. The Civil Engineering and Development Department is currently studying and taking forward the development of cycle track networks in the New Territories by carrying out phased projects to link up the cycle tracks in the new towns of Ma On Shan, Sheung Shui, Yuen Long, Tuen Mun and Tsuen Wan.

In respect of cycle parking spaces, there are now a total of about 40 000 cycle parking spaces in Hong Kong. I understand that the Transport Department will increase the provision of cycle parking spaces at major transport hubs to encourage the public to use bicycle as a supplementary mode of transport.

As regards green transport, I have repeatedly mentioned here the development of electric vehicles, and I am not going to make any repetition. Encouraging the introduction of electric vehicles aside, a key initiative of the Pilot Green Transport Fund recently is to introduce the technologies of electric vehicles to public transport systems. In this connection, many applications for which funding has been approved (including the 24 applications approved recently) cover buses, estate buses and even school buses and goods vehicles.

The objective is to encourage the increased use of electric vehicles or hybrid vehicles.

President, I am grateful to Members for continuously putting forward a lot of views on this issue of environmental protection and supporting the view that conserving energy and improving energy efficiency will be the key areas of work in the promotion of a low-carbon economy in the future. We will continue to implement initiatives for maximizing energy efficiency, greening road transport, turning waste to energy and revamping the fuel mix in the long term as mentioned just now. The Government will take on a leading role and provide support in terms of policies, while stepping up education to enhance public awareness. We hope that through the promotion of carbon audits, especially in enterprises, we can induce enhanced awareness of carbon reduction in society as a whole.

To this end, I believe the Government, this Council and the community must make concerted efforts. I agree that, as proposed by Members, the Legislative Council can set an example and work in concert with us. I remember that when this Complex was first brought into operation, many computers on the desks were turned on all the time and now, they are turned on only when in use. I remember that when I attended for the first time the meeting of the Panel on Environmental Affairs of which the Chairman is Mr CHAN Hak-kan, we said that energy conservation can be achieved in the venue by changing behaviour and consumption patterns in many aspects, such as lighting.

All these show that the building energy efficiency standards formulated by the Government over the past few years have produced solid results. I believe this will provide impetus for us to continuously take forward work in this respect. I also hope that we can be of one mind and work hand in hand to create a green Hong Kong.

Thank you, President.

PRESIDENT (in Cantonese): Mr KAM Nai-wai, you may now move your amendment to the motion.

MR KAM NAI-WAI (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr KAM Nai-wai moved the following amendment: (Translation)

"To add ", given that" after "That"; and to add "; besides, this Council also requests the Government to immediately shelve the aforesaid plan of significantly increasing the use of nuclear power (from 23% in 2009 to 50% in 2020) in order to allay people's worries about the use of nuclear power; at the same time, with a view to reducing energy consumption and electricity consumption by the public, this Council urges the Government to implement the following measures: (a) to study conducting electricity consumption audits for buildings on a free of charge basis and offering a series of energy conservation recommendations after such audits, so as to reduce energy consumption and electricity consumption by the public; (b) to propose in the 2012-13 Budget the provision of an electricity charge subsidy of \$1,200 to an account whose electricity consumption in a half-year period is 5% or more lower than its consumption in the corresponding period of the previous year, so as to encourage people to reduce electricity consumption; (c) to propose in the 2012-13 Budget the provision of tax allowance to people who purchase energy efficient products with Grade 1 energy label, subject to a ceiling of \$5,000; (d) to truly foster the development of a low-carbon traffic and transport system by including travelling on foot and cycling in the formulation and planning of its overall transport policy, and encourage people to travel on public transport and the mass transit system more frequently; at the same time, to formulate a long-term cycling policy, perfect bicycle management facilities (such as cycle parks) in various districts, actively expand cycle tracks, perfect the footbridge and subway networks in various districts, and install covers, escalators and lifts along district pedestrian walkways, with a view to reducing the number of vehicles on roads and encouraging people to actively live a low-carbon life; (e) to actively develop green transportation, increase the number, usage and types of electric vehicles, and perfect the relevant infrastructural and complementary facilities, so as to reduce energy consumption, pollution and emissions; and (f) by way of financial subsidy or franchise extension, to push ahead the early phasing out and replacement by bus companies of buses with high emissions; and,

on the premise of not affecting fares, introduce more electric or supercapacitor buses" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr KAM Nai-wai to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr WONG Kwok-kin rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Kwok-kin has claimed a division. The division bell will ring for five minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result be displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms Miriam LAU, Ms LI Fung-ying, Dr Joseph LEE, Dr LAM Tai-fai, Mr CHAN Kin-por and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG and Prof Patrick LAU voted against the amendment.

Mr WONG Yung-kan, Mr WONG Ting-kwong, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Dr Priscilla LEUNG, Mr WONG Sing-chi, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr WONG Yuk-man voted for the amendment.

Mrs Regina IP voted against the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr WONG Kwok-hing, Mr CHAN Hak-kan and Mr WONG Kwok-kin abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, eight were in favour of the amendment, five against it and five abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 16 were in favour of the amendment, one against it and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Government-led promotion of a territory-wide energy conservation campaign" or any amendments thereto,

this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Government-led promotion of a territory-wide energy conservation campaign" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr CHAN Hak-kan, you may move your amendment.

MR CHAN HAK-KAN (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr CHAN Hak-kan moved the following amendment: (Translation)

"To add ", given that" after "That"; to delete "given that" after "40%, but"; to add "motivating people and enterprises to lead a low-carbon life through measures on" after "as a matter of fact,"; to delete "have" after "enhancing energy efficiency" and substitute with "has"; and to add ", including studying the introduction of incentive schemes to encourage people to purchase energy-saving products or reduce electricity consumption, further expanding the types of products covered by the Mandatory Energy Efficiency Labelling Scheme, actively developing means of green transportation which include electric vehicles, studying the positioning of bicycles as a means of transport, and formulating relevant policies as well as expanding cycle track networks for reducing fossil fuel consumption, etc.," after "incentive measures"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Hak-kan to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(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): Ms Audrey EU, as the amendment by Mr CHAN Hak-kan has been passed, you may now move your revised amendment.

MS AUDREY EU (in Cantonese): President, I move that Mr CHAN Kin-por's motion, as amended by Mr CHAN Hak-kan, be further amended by my revised amendment.

President, I seek to retain the proposals found in points (a) to (d) and points (f) and (g) of the original amendment. Therefore, the wording and the numbering would have to be changed.

Ms Audrey EU moved the following further amendment to the motion as amended by Mr CHAN Hak-kan: (Translation)

"To add "the following" after "and adopt"; and to add ": (a) to implement a progressive tariff structure, with a view to reducing electricity consumption; (b) to study introducing tax measures with carrot and stick to encourage energy conservation; (c) to make it a mandatory requirement for listed companies to conduct energy audits and carbon audits; (d) to progressively expand and make it mandatory to comply with the various Building Energy Codes; (e) to expand the Mandatory Energy Efficiency Labelling Scheme; (f) by drawing reference from Australia, to study the feasibility of levying a carbon tax on accounts with high electricity consumption; and (g) to enhance energy conservation in the Central Government Complex and the Legislative Council Complex, etc" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Audrey EU's amendment to Mr CHAN Kin-por's motion as amended by Mr CHAN Hak-kan be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Audrey EU rose to claim a division.

PRESIDENT (in Cantonese): Ms Audrey EU has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr IP Wai-ming and Dr PAN Pey-chyou voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Ms Miriam LAU, Mr Jeffrey LAM, Mr Andrew LEUNG, Prof Patrick LAU and Dr LAM Tai-fai voted against the amendment.

Mr WONG Yung-kan, Mr WONG Ting-kwong, Mr CHAN Kin-por and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr

LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung and Mr Albert CHAN voted for the amendment.

Dr Priscilla LEUNG and Mrs Regina IP voted against the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah and Mr CHAN Hak-kan abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, seven were in favour of the amendment, seven against it and four abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 17 were in favour of the amendment, two against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may now speak in reply. You still have five minutes and 50 seconds.

MR CHAN KIN-POR (in Cantonese): First of all, I would like to thank the 15 Honourable colleagues who have spoken on this motion, and I must say there are a lot of useful and practical suggestions in the speeches they have given.

The Secretary has just mentioned many measures introduced by the Government in encouraging energy saving. As a matter of fact, many of them are quite effective. The Secretary has also pointed out that there are energy conservation objectives drawn up for government buildings and the results are often far better than the objectives set. However, the Secretary has failed to pledge that the Government will assume the role of a locomotive in taking the

lead to formulate relevant objectives and a full-scale matching plan for Hong Kong. A retired senior official told me that before the Government has a policy on that in place, it will not admit that problems exist.

I am sure both the Secretary and the Government will see the point that a territory-wide energy conservation campaign must be implemented before energy conservation can be successful. Since the Government has set objectives for the energy conservation campaign applicable to its buildings, why are there no objectives for a territory-wide campaign? So the Government must roll out a comprehensive energy conservation scheme, inclusive of objectives and a roadmap, and complementary measures should also be introduced to show its support and encouragement. We have actually wasted too much time and it is time we took actions now. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kin-por, as amended by Mr CHAN Hak-kan, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 22 February 2012.

Adjourned accordingly at twenty-four minutes past Eight o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Transport and Housing to Dr Margaret NG's supplementary question to Question 2

As regards the traffic prosecution figures against vehicles from the Mainland, the Hong Kong Police Force have not maintained prosecution statistics on traffic offences against vehicles from the Mainland. In response to the Member's request, the police have checked manually the prosecution records of non-commercial vehicles from the Mainland over the past five years. The numbers of six common traffic offences and illegal parking offence are listed below:

<i>Main offences</i>	<i>Number of prosecutions against non-commercial vehicles from the Mainland</i>				
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Careless driving	9	4	9	4	7
Speeding	113	145	168	151	133
Failure to comply with traffic signals	34	22	14	20	17
Failure to comply with restriction on double white lines	2	0	1	4	0
Failure to comply with traffic signs/road markings	6	5	11	15	11
Illegal parking	35	42	25	34	29
Total	199	218	228	228	197

Appendix II

WRITTEN ANSWER

Written answer by the Secretary for Food and Health to Dr LEUNG Ka-lau's supplementary question to Question 6

As regards the turnover rate of Case Managers of the Hospital Authority, the relevant information is provided at Annex.

Annex

<i>Year</i>	<i>Progress of Case Management Programme</i>	<i>Number of Case Managers</i>	<i>Turnover Rates</i>
2010-2011	Launched in three districts (Kwun Tong, Kwai Tsing and Yuen Long)	81	0%
2011-2012	Extended to five more districts (Eastern, Sham Shui Po, Sha Tin, Tuen Mun and Wan Chai)	155	2%