OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 21 November 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

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

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 WONG TING-KWONG, S.B.S., J.P.
THE HONOURABLE RONNY TONG KA-WAH, S.C.
THE HONOURABLE CYD HO SAU-LAN
THE HONOURABLE STARRY LEE WAI-KING, J.P.
DR THE HONOURABLE LAM TAI-FAI, S.B.S., J.P.
THE HONOURABLE CHAN HAK-KAN, J.P.
THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.
DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, J.P.
DR THE HONOURABLE LEUNG KA-LAU
THE HONOURABLE CHEUNG KWOK-CHE
THE HONOURABLE WONG KWOK-KIN, B.B.S.
THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.
THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.
THE HONOURABLE PAUL TSE WAI-CHUN, J.P.
THE HONOURABLE ALAN LEONG KAH-KIT, S.C.
THE HONOURABLE LEUNG KWOK-HUNG
THE HONOURABLE ALBERT CHAN WAI-YIP
THE HONOURABLE WONG YUK-MAN
THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI
THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

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

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

THE HONOURABLE TANG KA-PIU

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

IR DR THE HONOURABLE LO WAI-KWOK, B.B.S., M.H., J.P.

THE HONOURABLE CHUNG KWOK-PAN

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

THE HONOURABLE TONY TSE WAI-CHUEN

MEMBER ABSENT:

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., J.P.
PUBLIC OFFICERS ATTENDING:

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

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

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

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

THE HONOURABLE WONG KAM-SING, J.P.
SECRETARY FOR THE ENVIRONMENT

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

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  
Import and Export (General) Regulations (Amendment of Schedule 7) Notice 2012.......................... 173/2012

Other Papers

No. 26 — Prisoners' Education Trust Fund Report by the Trustee for the period from 1 April 2011 to 31 March 2012

No. 27 — Report of changes made to the approved Estimates of Expenditure during the second quarter of 2012-13  
Public Finance Ordinance: Section 8

Report No. 4/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

ORAL ANSWERS TO QUESTIONS


Impact of Implementation of Statutory Minimum Wage

1. MR JEFFREY LAM (in Cantonese): It has been reported that the implementation of the statutory minimum wage (SMW) has changed the salary structure of the labour market, resulting in a "reshuffle effect" and quite a
number of restaurants as well as small and medium enterprises (SMEs) have therefore encountered great difficulties in recruitment of staff. In this connection, will the Government inform this Council:

(a) apart from commissioning a consultancy study on pay hierarchies in the retail and catering trades, whether the Government has conducted any survey on the impact of the implementation of SMW on the business environment; if it has, of the rates of increase in wage cost for various trades (particularly the catering and retail trades);

(b) whether it has surveyed how the implementation of SMW has caused a "reshuffle effect" in the labour market, as well as the difficulties in staff recruitment posed to restaurants and SMEs by such a situation; if it has, of the number of trades affected and the extent to which they have been affected; if not, the reasons for that; and

(c) whether it has surveyed the situation where enterprises passed onto consumers the cost increases arising from the implementation of SMW (for example, property management companies raising management fees), as well as the ripple effect on commodity prices triggered by such a situation; if it has conducted such a survey, of the rates of increase in commodity prices?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, since the SMW came into force, the Administration has been closely monitoring its implementation and impact. My reply to the question raised by the Honourable Jeffrey LAM is as follows:

(a) According to the results of the 2011 Annual Earnings and Hours Survey (AEHS) conducted by the Census and Statistics Department (C&SD), the total wage bill in all sectors rose by 10.9% in 2011 over 2010, with increases of 9.8% in the restaurant and retail sectors respectively. Relevant statistics on other sectors are provided at Annex of the written reply.

However, it is worth noting that the increase in the total wage bill of individual sectors was affected by many factors. Apart from SMW, other factors leading to the increase in labour costs included improved experience and skills of employees in the sectors, more hiring owing to business expansion of enterprises, and so on. In
fact, according to the findings of the AEHS, the number of employees engaged in the restaurant sector in May to June 2011 increased by around 1 000 (or 0.5%) year on year, while that in the retail sector by some 4 600 (or 1.8%) year on year. Moreover, labour costs generally rose on the back of a relatively tight labour market since 2011 which boosted the general wage level. On the other hand, owing to the robust economy last year, the restaurant and retail sectors in particular recorded a notable growth in business receipts throughout the year at 6.4% and 24.9% respectively. This in turn helped relieve the cost pressure on these sectors brought by SMW.

(b) SMW commenced operation in May last year (2011) amidst robust local demand and persistent strength in labour demand in Hong Kong. Based on information from the Quarterly Survey of Employment and Vacancies of C&SD, the number of job vacancies in private-sector establishments reached 70 800 in June this year (2012). This was a record high in 18 years, and represented a year-on-year upsurge of 25.1%. Data of the General Household Survey (GHS) of the C&SD showed that the seasonally adjusted unemployment rate fell from 3.5% in the first quarter of last year (that is, before the implementation of SMW) to 3.4% in August to October this year. The unemployment rate also hovered at lower levels of 3.2% to 3.6% during this period.

Sectors hiring more low-paid employees would be more susceptible to the impact of SMW, especially those relatively labour-intensive sectors such as restaurants, retail, estate management, security and cleaning services, and elderly homes. Wage differentials among lower-skilled jobs across different sectors were narrowed after the implementation of SMW. Employees in some trades such as cleaners, dishwashers and care workers in elderly homes might prefer other jobs with more favourable working environment, which in turn led to difficulties in hiring staff in these sectors. The buoyant economy also exacerbated the competition for labour among sectors. There were also views that while large enterprises could offer better recruitment packages and career prospects in attracting talents, SMEs lacked competitive edge in recruitment, resulting in difficulties in hiring staff.

Although some trades faced hiring difficulties last year, individual sectors still recorded increases in their employment. According to
the latest GHS data, the number of employees in the retail sector increased by 26,900 (or 10.7%) in August to October this year as compared to the first quarter of last year (that is, before the implementation of SMW), while that in the restaurant sector also rose by 2,200 (or 1.0%). It is thus evident that SMW has lifted wages of the grass-roots employees in real terms, thereby encouraging potential labour force to enter or re-enter the labour market and boosting their incentive to work.

(c) The implementation of SMW resulted in some upward pressures on the prices of products and services in sectors where staff costs constituted a larger proportion of the total operating costs, especially in security services and cleaning services. According to the 2010 Annual Survey of Economic Activities, staff costs accounted for as high as 80% of the total operating expenses for these two services. Based on the Consumer Price Index statistics compiled by the C&SD, for consumption goods and services with larger shares of staff costs in total operating expenses such as management fees and other housing charges, the inflation rate for the year 2011 as a whole reached 4.1%, significantly higher than the corresponding inflation rates ranging from -0.2% to 1.4% in the previous five years (that is, 2006 to 2010).

As employment earnings improved amidst a robust economy, the purchasing power of people at large grew stronger and enterprises were more likely to pass on the additional labour costs caused by SMW to consumers. This might to some extent slightly push up the inflation rate of last year. Nevertheless, of the 5.3% year-on-year inflation rate for 2011, food prices and private housing rentals together accounted for over 70%. SMW was not the major cause of the inflation hike last year.

Annex

The rate of increase in total wage bill analysed by sector in 2011

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total wage bill in 2011 compared to 2010</th>
<th>Increase (HK$M)</th>
<th>Rate of increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>912.8</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>5,884.2</td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>Total wage bill in 2011 compared to 2010(^{(1)})</td>
<td>Increase (HK$M)</td>
<td>Rate of increase (%)(^{(2)})</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Import/export trade and wholesale</td>
<td></td>
<td>1,267.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>5,620.8</td>
<td>18.1</td>
</tr>
<tr>
<td>Transportation, storage, courier services(^{(4)}), information and communications</td>
<td></td>
<td>7,676.3</td>
<td>11.1</td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
<td>2,145.9</td>
<td>9.8</td>
</tr>
<tr>
<td>Accommodation(^{(5)}) and other food service activities</td>
<td></td>
<td>353.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Financing, insurance, real estate, professional and business services</td>
<td></td>
<td>16,083.6</td>
<td>13.4</td>
</tr>
<tr>
<td>Estate management, security and cleaning services</td>
<td></td>
<td>4,661.1</td>
<td>22.0</td>
</tr>
<tr>
<td>Social and personal services(^{(6)})</td>
<td></td>
<td>12,560.0</td>
<td>12.4</td>
</tr>
<tr>
<td>Miscellaneous activities(^{(7)})</td>
<td></td>
<td>1,679.4</td>
<td>17.3</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>793.0</td>
<td>15.6</td>
</tr>
<tr>
<td>All sectors</td>
<td></td>
<td>59,639.0</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Notes:

(1) Total wage bill includes rest day and meal break pay (for employees who are granted these payments according to their employment contract or agreement).

(2) The rate of increase is calculated based on unrounded total wage bill figures.

(3) Excluding food processing and production.

(4) Excluding local courier services.

(5) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.

(6) Excluding elderly homes; laundry and dry cleaning services; and hairdressing and other personal services.

(7) Miscellaneous activities cover elderly homes; laundry and dry cleaning services; hairdressing and other personal services; local courier services; and food processing and production.

Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Source: Annual Earnings and Hours Survey, Census and Statistics Department
MR JEFFREY LAM (in Cantonese): President, after listening to the Secretary's main reply, I think the authorities are still unable to fully grasp the impact of the minimum wage on various trades, the effect of the impact and the ripple effect on society as a whole, as well as the significance to people from all walks of life. So, is it appropriate to review the minimum wage at this time?

Just now the Secretary said that the number of job vacancies in private-sector establishments reached 70,800 in June this year, representing a year-on-year upsurge of 25.1% and a record high in 18 years. In what trades did these job vacancies emerge? If these 70,800 vacancies emerge in the same trade or a number of trades, does this not reflect that the "reshuffle effect" caused by the minimum wage is very serious?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, concerning the tens of thousands of vacancies, the latest figures (for June this year) show that 33,600 vacancies emerged in SMEs and 10,500 in the restaurant sector. Certainly, some job vacancies were also found in other trades. Thus, the distribution was quite even.

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

MR JEFFREY LAM (in Cantonese): President, no, the Secretary has not answered my supplementary question. I asked the Secretary in what trades these job vacancies emerged because SMEs fall within many different trades. The Secretary has only told us the vacancy situation of one sector, but maintained that there were vacancies in other trades.

PRESIDENT (in Cantonese): Secretary, can you tell us in what other trades job vacancies have emerged?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I have mentioned in what trades job vacancies have emerged. Generally speaking,
these include the retail trade. Just now, I pointed out unequivocally that it is the restaurant sector, in which 10 500 vacancies were found. Besides, vacancies are certainly found in various trades such as retail, logistics, security services, cleaning services, and so on. We can see that vacancies have emerged in various sectors. The trade I emphasized just now is the restaurant sector in which 10 500 vacancies are found, accounting for a bigger proportion among various trades.

MR JEFFREY LAM (in Cantonese): President, can the Secretary provide the distribution of job vacancies later on?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I can provide such figures. (Appendix I)

MR FRANKIE YICK (in Cantonese): President, the Secretary has mentioned in the main reply the figures of four sectors, namely, retail, restaurants, security and cleaning services. But the transport sector was not mentioned. After the implementation of the minimum wage last year, many friends of mine in the logistics industry told me that owing to the "reshuffle effect", there is a serious brain drain problem in the industry. As many truck drivers and employees of work types which are relatively laborious have changed jobs gradually, it is increasingly difficult to hire hands. May I ask the Secretary whether the authorities have conducted any study on the impact of the minimum wage on the logistics and transport sectors? If yes, what are the results? If not, why not? Will a study in this aspect be conducted?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the logistics is basically included in the transport sector. In fact, there will be an analysis of data by trade in the report submitted to the Government by the Minimum Wage Commission. We are now examining the report. In the three-and-a-half-hour hearing held yesterday, we already explained in detail that these figures would be published in the report. So, please be patient. The report will give a full account of these macro figures.
MR ANDREW LEUNG (in Cantonese): In paragraph (b) of the main reply, the Secretary said that since the implementation of the SMW, the unemployment rate had hovered at 3.2% to 3.6%, which shows a small difference. But in the last paragraph of part (b), he also said that the SMW has lifted wages of the grass-roots employees, thereby encouraging labour force to re-enter the labour market and boosting their incentive to work. Although the unemployment rates have not increased significantly, the number of job vacancies has increased by 70,800 in the same period.

May I ask the Secretary how these figures will be managed? What measures can be put in place to help the SMEs solve the problem of having 70,800 job vacancies?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, regarding the 70,800 job vacancies, the Labour Department has organized more than 20 large-scale job fairs since the implementation of the SMW. Even at the district level, job fairs are regularly held in our 12 Job Centres. Concerning the restaurant and retail sectors, we have set up two special Recruitment Centres for the Catering Industry and the Retail Industry respectively to provide free employment service to job-seekers at the office of the Labour Department on the 34th floor of the Revenue Tower, Wan Chai. Job fairs are held almost every day to offer comprehensive help to employers in staff recruitment.

Regarding the wages of grass-roots workers after the implementation of the SMW, I gave an account in yesterday's hearings. According to the latest figures (that is, for July to September this year), the average employment income for the lowest decile of full-time employees, that is, the most elementary level of employees, has increased by 6.4% year on year, representing an increase of 4.5% after adjustment for inflation. On the contrary, the average employment income of employees in Hong Kong as a whole has seen a slight drop of 0.3%. This shows that the grass-roots workers have benefited from the measure.

Regarding the number of employees, more women have entered the labour market indeed. There is the latest figure for August to October this year which is worth noting: It is found that there is an increase of 137,800 people in our labour force by comparing the number of people before and after the implementation of the SMW. Among these additional labour force, more than
40 000 are women who are attracted to join the labour market. Many of them are middle-aged women, evident that the SMW has attracted many people who are hidden, uninterested to work before the implementation of the SMW to seek employment. These people, the untapped human resources, have come out to join the labour force because of the pay rise. These figures are very clear.

MR ANDREW LEUNG (in Cantonese): President.

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

MR ANDREW LEUNG (in Cantonese): President, the Secretary has not answered my question. Concerning the 70 800 job vacancies, he said that the authorities have helped SMEs organize job fairs. However, there are still 70 800 job vacancies, meaning that there is still a shortage of manpower. In view of this, how can he motivate more people to enter the labour market?

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Let me explain it clearly again. An additional 137 000-plus people have entered the labour market since the introduction of the SMW. Only when there are job vacancies in the market can the labour force join the market. Regarding the 70 000-odd job vacancies, it is a peak insofar as the month (June this year) is concerned. Mr LEUNG, Hong Kong is now close to full employment. Compared with the situation in the past, it is much easier for a person to find a job, reflecting that the labour market is buoyant.

MR TANG KA-PIU (in Cantonese): Secretary, the sentence "the SMW was not the major cause of the inflation hike last year" is the most pleasant to the ear over the past month. It has finally helped clarify the doubt for the labour sector.
In my opinion, the main culprit causing inflation is food prices and rentals. May I ask the Secretary what measures, such as formulating policies, providing financial assistance or imposing legislative regulation, can be put in place by the Government to support the SMEs in these two aspects?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, in fact, it is very difficult for the Government to intervene in the market in these two aspects. Firstly, regarding food prices, foods supplied to Hong Kong are basically imported from foreign countries. But the appreciation of Renminbi or devaluation of Hong Kong dollar is out of our control, despite fluctuations from time to time. For example, vegetable prices will fluctuate from time to time. Secondly, in respect of rentals, as we all know, the market in Hong Kong will adjust on its own and the Government has no intention to intervene in rentals.

MR TANG KA-PIU (in Cantonese): The Government has intervened in the housing market recently. I hope the Secretary can elaborate on this point: Is it true that the Government will not do anything about the high rentals?

PRESIDENT (in Cantonese): Mr TANG, the Secretary has already given an answer. Your question on rentals and food prices has in fact digressed from the theme of the main question.

MR LEE CHEUK-YAN (in Cantonese): The main question by Mr Jeffrey LAM shows that the bosses in the business sector do not understand economics. We think that businessmen are very good at doing business, but they know nothing about economics. Why do I say so? Because Mr Jeffrey LAM has even put forth the theory that the minimum wage will result in a "reshuffle effect" or a shortage of labour. The increase in the labour cost will even lead to labour shortage …..
PRESIDENT (in Cantonese): Mr LEE, if I allow you to continue to advance arguments, I have to allow Mr Jeffrey LAM to respond. But no debate should arise during Question Time. So, please raise your supplementary question.

MR LEE CHEUK-YAN (in Cantonese): Yes, I now raise my supplementary question. Regarding Mr Jeffrey LAM's ridiculous new economic theory that the resultant "reshuffle effect" has led to a labour shortage, yesterday in the ……

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

MR LEE CHEUK-YAN (in Cantonese): Yes. The reason for labour shortage is that all people prefer to be security guards and no one wants to do laborious jobs. However, I have to point out clearly that there are still 10% vacancies in the security sector. Just now the Secretary said that the labour force has increased by about 130 000 people while there are more than 70 000 vacancies, showing that the buoyant economy of Hong Kong is a good thing.

Regarding Mr Andrew LEUNG's supplementary question, may I ask the Secretary how those vacancies can be filled? As the implementation of minimum wage has already attracted some labour force to come out to work, these vacancies should have been filled. But in reality, they are not.

May I ask the Secretary whether the authorities will try to release the woman labour force through improving child care services and after-school care so that women can come out to work? Will the authorities make efforts in this regard to solve the problem of labour shortage?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, thanks to Mr LEE. Mr LEE has raised two questions. For the first question, let me clarify again that those 70 000-odd vacancies emerged in June this year. It does not mean they will never be filled. We have pointed out that there were 70 000-odd vacancies in that period, showing that the labour market was very buoyant and local economy was robust with the ability to create jobs. Those vacancies are being filled gradually.
By comparing the situation before and after the implementation of the SMW, we can see that the number of people in the labour force has in fact increased by about 138 000 people. This is an important figure, which enables us to see the situation of the labour market as a whole. Please do not think that those 70 000-odd vacancies have not been filled. The vacancies in that period also show that the economy is robust.

As for the second question, Mr LEE just now mentioned the labour force of women who are really important human resources. A dedicated committee will be set up under the Commission on Poverty to examine how to kick-start or help some special groups. In particular, it will consider how to solve the problem of in-work poverty. What Mr LEE said is right. We will study how to improve the support facilities so that women can rest assured about going out to work. Even though they can only take up part-time jobs, it will be a contribution to the labour market.

Therefore, we will consider measures in various aspects, including whether more efforts should be made to improve child care services, whether more support facilities can be provided and whether more training for women can be provided to equip them.

MR POON SIU-PING (in Cantonese): Before the implementation of the minimum wage, many employers were worried that employees would lose their jobs and even indicated that staff would be laid off. Just now the Secretary provided a lot of information. May I ask the Secretary whether the Government has assessed the impact of the minimum wage on the development of society as a whole after the minimum wage has been implemented for one year? If yes, has the implementation of the minimum wage brought about positive or negative impacts on the development of society as a whole?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thanks to Mr POON for his question. The answer is very simple. Certainly it has brought about more positive impacts than negative ones. There are several factors to remember. Firstly, as I pointed out very clearly in my reply, the recruitment figures for some work types fell during the first two months of the implementation of the SMW. However, such adverse effect was soon removed
by the robust economy of Hong Kong and the Individual Visit Scheme over the past few months. The impact of the SMW has almost been neutralized as a result.

Secondly, our society has become more harmonious than before. Let me cite a very simple example. The hourly rate of an ordinary salesperson or shopkeeper in a convenience store was $18 to $19 in the past. But after the implementation of the SMW, the hourly rate is $28, meaning that the hourly rate of each and every employee has increased by $10. With increased incomes, their living standard has also seen some improvement. So, regarding in-work poverty, among the low-paid employees who fell under the category of the working poor before, 55 000 people have broken away from this category. In other words, the poverty population has declined because they have benefited from the implementation of the SMW.

MR CHUNG KWOK-PAN (in Cantonese): Secretary, according to a report yesterday, you said that the minimum wage is now subject to a review every two years, which, however, will be changed. Would you please clarify the meaning of your remark?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, in yesterday's hearing, many deputations said that they were very worried and proposed that a review be conducted every year. In this connection, I explained to them clearly that it is most important to fully understand the current arrangement because under the current legislation, the measure will be reviewed at least once biennially. In other words, the Government can conduct one more review or even increase the number of reviews if necessary. It is not stipulated that a review should be conducted every two years. Rather, it should be reviewed at least once every two years. But I must also emphasize that the current cycle is appropriate. Why? Firstly, the period after the implementation of the SMW is rather short as it has only been introduced not long ago; and secondly, this is a pragmatic approach because the economic cycle will change and the economy may face downside risks. If a mandatory annual review is adopted, the flexibility will be reduced when Hong Kong experiences an economic downturn.
So, my message is very clear: a review will be conducted at least once in every two years as required by legislation. However, the Government can activate the review mechanism if necessary according to relevant data. This is my reply.

PRESIDENT (in Cantonese): We have spent more than 22 minutes and 40 seconds on this question. Second question.

Policy on Cycling in Hong Kong

2. MR WU CHI-WAI (in Cantonese): President, it is the Government's policy not to encourage members of the public to use bicycle as a mode of transport in the urban areas, and cycling is regarded merely as a leisure and recreational activity. In this connection, will the Government inform this Council:

(a) whether the authorities will comprehensively review the role that bicycle should assume in the entire transport system and consider afresh making bicycle a mode of general transport, with a view to promoting the development of low-carbon transport effectively; if they will, of the details and the timetable; if not, the reasons for that;

(b) of the amount of resources allocated (including those allocated for publicity and education) in the past three years by the authorities for formulating bike-friendly policies and perfecting complementary measures and planning for cycling in various districts, as well as the results achieved (for example, the length of cycle lanes increased and number of bicycle parking spaces newly provided, the efforts in improving safety facilities, and so on), with a breakdown by year and work initiative; whether they know the arrangements made and restrictions imposed by public transport operators on carriage of bicycles by passengers; and whether they will take the initiative to require various public transport operators to put in place arrangements which are more convenient and bike-friendly; and
(c) whether it has formulated objective criteria for assessing if it is suitable to adopt bicycle as a major mode of transport and implement relevant trial schemes in new development areas (NDAs) (for example, West Kowloon Reclamation Development and Kai Tak Development); if it has not, of the reasons for that; if it has formulated such criteria, the details and the NDAs which have been assessed with such criteria, as well as details of the planning concerned?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Hong Kong is densely populated. To address the problems of traffic congestion and air pollution, the Government has been actively implementing the policy of using public transport as the main transport mode and encouraging the public to make use of the highly efficient mass transit transport systems and other public transport services. Any measure to encourage cycling as a means of transport must take into account that Hong Kong is a small but dense populated city with concentrated development, and that cycling safety should be the prime concern.

My reply to the various parts of Mr WU Chi-wai’s question is as follows:

(a) Hong Kong's road traffic is heavy with carriageways and footpaths so congested that it is difficult to spare spaces for developing tracks designated for cycling. Allowing a large number of bicycles to share busy roads with other vehicles in urban areas without providing designated cycle tracks will increase the risk of accidents. In fact, there is a rising trend of cycling accidents in recent years as the activity gains popularity. The numbers of cycling accidents and cyclist casualties have increased from 1,793 and 1,581 respectively in 2009 to 2,348 and 2,194 in 2011. The Government is very concerned about this.

Due to safety consideration, the Government does not encourage the public to use bicycle as a transport mode in urban areas. Compared with urban areas, new towns in the New Territories or new development areas (NDAs), where density is relatively low, have better conditions for using bicycle for short-distance travel. If the
situation permits, we will provide cycle tracks and ancillary facilities in new towns and NDAs as well as enhancing existing facilities, to allow people to ride bicycles for recreational purposes and short-distance travel.

(b) The Government has been striving to provide a "bicycle-friendly" environment in the rural areas, new towns and NDAs.

The Civil Engineering and Development Department (CEDD) continues the development of a comprehensive cycle track network in the New Territories as pledged in the 2007-2008 Policy Agenda. Works are constructed in phases to allow early enjoyment by the public. Construction of the section between Sheung Shui and Ma On Shan was commenced in May 2010 for completion in 2013. The first phase of the section between Tuen Mun and Sheung Shui will commence in 2013 for completion in 2017. Works on the remaining sections will commence as early as possible. Upon completion of the project, we shall have a 105 km-long cycle track network traversing various districts of the New Territories.

At the same time, under several leisure facility projects administered by the Leisure and Cultural Services Department (LCSD), facilities like cycle tracks and BMX cycling ground are provided.

In addition, the Transport Department (TD) is proactively increasing the number of bicycle parking spaces. In the past three years (2010 to 2012), the TD provided about 2,000 additional bicycle parking spaces for public use in various new towns. Regarding general improvement measures for cycle tracks, such as retrofitting speed reducing bollards and providing traffic signs and road markings, we have completed improvement works at about 500 junctions where cycle tracks intersect footpaths or carriageways, covering 30% of the locations requiring improvement. The whole improvement project is expected to be completed in 2015.

To further improve the existing cycle tracks and parking facilities, the TD engaged a consultant in May 2010 to conduct a study on problems commonly found in new towns. A series of preliminary
improvement measures recommended by the consultant, including painting the sharp bends of cycle tracks in yellow, installation of convex mirrors (commonly known as "fish-eye mirrors") at locations with poor sightline, is being carried out in Tai Po under a pilot scheme to test their effectiveness prior to extended implementation. Simpler measures under the scheme are expected to be completed by late 2012. The more complicated ones, such as widening of the bends of cycle tracks, installing protective pads along cycle tracks and tunnel walls, will be completed by late 2013. Subject to the trial results, and having regard to the physical environment of individual areas and views of local residents, we will determine the specific arrangements and priorities for extending the various improvement measures to other districts.

On publicity and education, the Administration organizes regularly activities on cycling education and safety, and distribute promotional leaflets and display banners and posters at locations frequented by cyclists. The TD has launched an Internet-based one-stop information platform and produced educational videos. Government expenditure in the past three years on cycling facilities and activities is at Annex I.

Furthermore, the Government encourages public transport operators to allow the carriage of bicycles on board on the condition that safety and passenger convenience would not be compromised. Given that public transport is mainly for the carriage of passengers and over 90% of the commuters travel by public transport, the operators have to set appropriate requirements for the carriage of bicycles by passengers according to the actual occupancy characteristics and having regard to passenger safety and convenience. Details are at Annex II.

(c) Appreciating the community's aspiration for a quality living environment, the Government adopts the principle of sustainable development in planning projects for the NDAs, so as to build an environmentally-friendly, people-oriented and balanced society and promote low-carbon urban development.
Taking Kai Tak Development as an example, a cycle track about 6 km long running along both sides of the runway and the seafront of the south apron area of the former airport has been planned to tie in with the design of the seafront promenade in the area mainly for leisure and recreational purposes. The CEDD is actively exploring the extension of the coverage of the cycle track network.

Separately, according to the current planning of the West Kowloon Cultural District (WKCD), cycle tracks will be provided in the WKCD park for public use. The specific design proposals of the cycle tracks will be examined in the detailed design stage.

The North East New Territories NDAs will have a comprehensive network of footpaths and cycle tracks network to encourage the public to walk and cycle. In the planning and engineering study of Hung Shui Kiu NDA, apart from providing a comprehensive network of footpaths and cycle tracks in the area, different green measures have also been considered, including the use of electric vehicles.

Annex I

Government expenditure in the past three years on major initiatives to increase/enhance cycling facilities and conduct publicity/education activities on cycling safety

<table>
<thead>
<tr>
<th>Department</th>
<th>Description of major initiatives</th>
<th>Expenditure ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Department and Highways</td>
<td>Enhancement of bicycle parking facilities (an increase of about 2,000 bicycle parking spaces in three years)</td>
<td>913  605  339</td>
</tr>
<tr>
<td>Department</td>
<td>Reprovisioning of speed reducing bollards (reprovisioning of speed reducing bollards at about 500 locations in three years)</td>
<td>11   264   221</td>
</tr>
<tr>
<td>Department</td>
<td>Description of major initiatives</td>
<td>Expenditure ($'000)</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>General improvement to cycle track facilities such as traffic signs and road markings</td>
<td></td>
<td>166</td>
</tr>
<tr>
<td>Publicity/education activities on cycling safety (internet-based Cycling Information Centre, and education and publicity videos)</td>
<td></td>
<td>126</td>
</tr>
<tr>
<td>Civil Engineering and Development Department</td>
<td>Project fee</td>
<td>76,860</td>
</tr>
<tr>
<td>Hong Kong Police Force</td>
<td>Organization of publicity and education activities on cycling safety</td>
<td>203</td>
</tr>
<tr>
<td>Road Safety Council</td>
<td>Organization of publicity and education activities on cycling safety</td>
<td>202</td>
</tr>
</tbody>
</table>

Note:

The Leisure and Cultural Services Department also provides cycling facilities in some of its projects. Since such projects involve several other facilities, the Department is unable to provide the expenditure breakdown on cycling facilities alone.

Annex II

Public Transport Operators' Requirements on Carriage of Bicycles by Passengers

- MTR: Passengers are allowed to carry bicycles that comply with the size limits specified in the Conditions of Carriage of Luggage.

- Franchised buses: Bicycles are allowed on board as along as they are properly folded, do not occupy seats and do not cause obstructions.
- Ferries: Ferries allow the boarding of bicycles that do not occupy seats if the cabin permits proper parking of bicycles. The design and occupancy characteristics of most vessels operated by franchised and licensed ferry companies meet the conditions for the carriage of bicycles by passengers.

- Trams and public light buses: These modes are not suitable for the carriage of bicycles owing to the constraints in the design of the vehicle compartment, passageway and entrance/exit.

- Taxis: Taxi drivers may charge a passenger for the bicycle that he/she carries according to the baggage fare as long as the bicycle can fit the size of the luggage compartment and operational safety is not undermined.

MR WU CHI-WAI (in Cantonese): President, the Secretary's reply is actually misleading to the public because we are discussing the development of a bike-friendly city. If we make reference to overseas experience, we will find that bicycles are allowed as a means of transport on roads. The Secretary kept saying that Hong Kong is small and crowded, but when it comes to NDAs like Kai Tak and the WKCD, he still maintained that bicycles would only be used for recreational and transport purposes. May I ask the SAR Government why it is unwilling to try to include the bicycle as a short-distance transport mode for the WKCD and the Kai Tak NDA and adopt this as a planning criterion?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I may not have given a sufficiently detailed reply just now. In fact, the Government's position is that since the roads in the urban areas are quite congested and there are quite a large number of vehicles, so for safety reasons, we do not encourage the public to use the bicycle as a mode of transport but in rural areas, new towns and NDAs, we have the full intention of promoting a more bike-friendly environment and putting in place more facilities. Therefore, we are developing bicycle networks on a larger scale in new towns and will carry out the planning of future NDAs under this principle.
MR WU CHI-WAI (in Cantonese): President, the Secretary has not answered my question because the WKCD and Kai Tak are both NDAs, so why can the planning not be carried out according to the criteria mentioned just now?

PRESIDENT (in Cantonese): Secretary, can you comment more specifically on the planning of the WKCD and the Kai Tak NDA?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the CEDD is in charge of planning the cycle track network and facilities of the Kai Tak Development and the WKCD. Basically, the cycle tracks in question can also be used for short-distance travel. Of course, the relevant facilities would also facilitate participation in recreational activities as well as other leisure activities by the public.

MR GARY FAN (in Cantonese): President, the Secretary's reply to Mr WU's question is not detailed, accurate nor specific. On the question of how many additional cycle tracks or related facilities have been provided and in which new towns and NDAs they have been provided or will be provided, so that the public can use the bicycle as a means of short-distance travel, he has only replied in a general manner. President, my supplementary question is: Has the Government ever considered following the examples of other countries by arranging for the Transport Department or the LCSD to provide bicycle rental service, so as to ease the present shortage of bicycle parking spaces, achieve the goal of improving the cityscape and encourage the public to use bicycles for short-distance travel?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, perhaps let me reiterate it once more. I agree that cycling is good for the public's health and the bicycle is also a low-carbon transport mode but in the urban areas, where traffic is heavy, I do not consider it appropriate to encourage the public to use the bicycle as a basic transport mode because of safety concerns. However, in new towns, NDAs and the rural area, we would do so.
As I said in the main reply just now, at present, cycle track networks have been developed in various districts in the New Territories. Just now, Mr FAN talked about parking spaces. In fact, there are already 40,000 free bicycle parking spaces throughout Hong Kong and in the past two years, we have provided 2,000 more. We will continue to consider how to provide additional parking spaces having regard to the needs of various districts. As regards bicycle rental service, according to our present observation, there are quite a number of bicycle rental businesses in the new towns concerned, so we cannot see any need for the Government to provide this service for the time being. In the long run, however, we will adopt an open attitude in respect of the public's pattern in cycling and the development of such activities when considering future needs.

MR ALBERT HO (in Cantonese): President, the Secretary pointed out in the main reply that because of the congested and busy traffic in the urban areas, he does not think it inappropriate to consider adopting the bicycle as a mode of transport. In fact, in many places, it is only necessary to demarcate a cycle track and it does not, moreover, have to be very wide and the public can already have another transport option. However, the Secretary has ruled this out quickly for safety reasons.

I wish to ask a question about part (a) of the main reply. It is said therein that the number of accidents in 2011 increased significantly compared to that in 2009, thus arousing great concern in society. May I ask if the relevant figures refer to accidents that happened on roads or those on cycle tracks? Can a breakdown be given on how many accidents happened on cycle tracks and how many on roads, so as to see if safety problems really exist?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, if we demarcate cycle tracks on the roads in the urban areas, this would significantly reduce the road space for other vehicles. As regards traffic accidents, if we look at the situation in the past several years — I will provide the detailed figures to Members after the meeting (Appendix II) — generally speaking, the numbers of accidents on carriageways and cycle tracks are more or less the same, accounting for some 40% each and 80% of the fatal cycling
accidents fall into the category of bicycles colliding with vehicles, accounting for 21% of all categories.

MR CHAN HAN-PAN (in Cantonese): President, the Secretary said just now that there may be cycling facilities in new towns or some of the new towns to be developed. However, not only is cycling a kind of leisure and recreational activity, nor is it just a supplementary mode of transport, in many districts, it is a major mode of transport. For example, on the outlying islands like Lamma Island, Cheung Chau, and so on, the bicycle is a major mode of transport. Apart from riding bicycles, residents have no other choice. However, in these places, I cannot see the Government having attached any importance to the relevant facilities and ancillary facilities, so bicycles are parked everywhere and many accidents caused by bicycles have happened.

May I ask the Government if it would introduce a policy in this regard to provide additional facilities in such remote areas as some old districts and outlying islands, so as to improve the problems relating to bicycle parking in these areas?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Mr CHAN asked about how the facilities in various districts can be improved to meet the needs of cyclists; this is also what the Government wants to achieve. I said just now that we hope a bike-friendly environment can be created in new towns and NDAs. As I said in the main reply, our aim in engaging a consultant currently is precisely to study how a good job can be done in providing cycle track networks and the relevant facilities in the new towns in Hong Kong …..

(Mr CHAN Han-pan stood up)

PRESIDENT (in Cantonese): Mr CHAN, please wait for the Secretary to finish his reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): The scope of our study covers nine new towns and consideration will also be given to
how the existing cycle track arrangements in the new towns concerned are like, whether or not the parking spaces are adequate and what kinds of problems are usually associated with the complaints relating to accidents. We hope that through this more comprehensive consultantcy study, more targeted measures can be formulated for long-term development.

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

MR CHAN HAN-PAN (in Cantonese): President, the Secretary has not answered my supplementary question because I am asking about the old districts and remote areas, but the Secretary is talking about the new towns, so the Secretary has not answered my supplementary question.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Mr CHAN said in his supplementary question that instances of illegal parking of bicycles exist in the old districts and even in housing estates. In this regard, there are established law-enforcement procedures and from time to time, we would remind the Housing Department and other relevant departments to pay attention to law enforcement. However, inadequate bicycle parking spaces may not be a situation that is found in all districts, so we will introduce additional parking measures having regard to the circumstances in various districts.

MR FREDERICK FUNG (in Cantonese): President, it is pointed out in the Secretary's reply that it is mainly in the NDAs and new towns that a good cycle track network would be put in place, but the urban areas are left out. I think one cannot say that there is not enough room to do so due to the large number of vehicles and people. In fact, many international cities, for example, London, New York, Taipei, Beijing and Amsterdam, are just as crowded but cycle tracks are still provided in these cities.

Would the Government give consideration to two aspects? First, take Hong Kong Island as an example, to build a cycle track from Western District to Chai Wan; and second, in the case of roads with three lanes, in the slow lane,
priority should be given to bicycles. All these are the measures adopted by the cities mentioned by me just now. If the Government only cares about the new towns but not the urban areas, in fact, it is totally impossible to turn Hong Kong into a city that uses the bicycle as the mode of transport.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, our present decision is not to encourage residents in the urban areas to use the bicycle as a basic transport mode and this is primarily due to safety considerations and the inability to make available too much road space in view of the design of the existing roads in the urban areas. If cycle tracks are demarcated in the already limited road space, the space that can be used by other vehicles would be even less. At present, many roads in the urban areas are already very busy. As a result, the goal of overall smooth traffic flow cannot be achieved.

However, I do not mean that in the long run, even if there is sufficient space, we still would not do more. We will make reference to the measures in other countries and regions. On the other cities mentioned by Mr FUNG just now, the situation in some of them may be different from that in Hong Kong in that the traffic on the roads in these places may not be as heavy as that in Hong Kong. If some places can pull this off and the road conditions there are similar to that in Hong Kong, we will also learn from their experience and see if we can follow their examples. Therefore, our attitude in promoting the use of bicycles is pragmatic.

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

MR FREDERICK FUNG (in Cantonese): No, because the approach adopted by the authorities is to …….

PRESIDENT (in Cantonese): Please repeat the part which you think the Secretary has not answered.
MR FREDERICK FUNG (in Cantonese): Be it the Secretary's reply or even in his paper, it is said that it would be necessary to demarcate a new lane for bicycles but in the cities mentioned by me, no lane is demarcated, rather, in the slow lane, priority is given to bicycles and there is no need to demarcate a separate lane.

PRESIDENT (in Cantonese): Just now, the Secretary said in his reply that if the traffic conditions on the roads in other cities are similar to that in Hong Kong, the Secretary would consider following their examples, so the Secretary has already given an answer.

MR LEUNG CHE-CHEUNG (in Cantonese): President, just now, I heard the Secretary say that in the development of new towns both in the North East New Territories NDAs and Hung Shui Kiu, the development of cycle track networks as a major item in the planning would be examined, and I was very happy to hear this remark. However, I also heard the Secretary say that the numbers of cycling accidents and cyclist casualties had increased from 1,793 and 1,581 respectively in 2009 to 2,348 and 2,194 in 2011. This development arouses the concern that biking is also a very dangerous activity. If cycle tracks are included in the future development plans, we must attach importance to the issue of biking safety.

Therefore, may I ask the Secretary if this aspect has been studied to see how cyclists can be prevented from sustaining injuries and how the promotion of cycling would not be affected on account of this? For example, will learners be required to display L-plates?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, our target is to promote a bike-friendly environment and provide the relevant facilities in the NDAs. A consultancy study to look at nine new towns in Hong Kong is being conducted. Of course, reference can also be made to the relevant experience in developing the newer NDAs.

Since the use of the bicycle as a transport mode for short-distance travel is encouraged in new towns, we must put in place the relevant complementary facilities, be it safety measures, cycle track networks, the supply of parking
spaces, road signs, and so on. We will work on all these. Just now, Mr Fung said that anyone can cycle in the urban areas, except on highways. In fact, all cyclists have to comply with the Road Traffic Ordinance and the Road Users' Code. We have published safety brochures for cyclists and as I said in the main reply just now, we have stepped up publicity and education.

PRESIDENT (in Cantonese): Third question.

Measures to Address Problem of Traffic Noise

3. DR LAU WONG-FAT (in Cantonese): President, quite a number of vehicular flyovers (such as Kwai Chung Road Flyover which passes through Mei Foo Sun Chuen, Ma Tau Wai Road Flyover in Hung Hom and Tsing Fung Street Flyover in Tin Hau) and expressways in Hong Kong cut through the old districts. Many residents living beside such flyovers and expressways have relayed to me that they have been affected by the traffic noise nuisance for a long time, but the authorities have not implemented effective improvement measures so far. In this connection, will the Government inform this Council:

(a) whether the authorities have compiled statistics on the number of traffic noise black spots throughout Hong Kong which are similar to the aforesaid situations, as well as the number of residents affected;

(b) whether the authorities measure the noise levels at the black spots concerned on a regular basis and assessed their impact on the residents' health; and

(c) of the reasons why the authorities have not yet retrofitted noise barriers at such vehicular flyovers and expressways?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, before answering Dr Lau Wong-fat's question, I would like to begin with the policy on the general traffic noise problem in Hong Kong.
As we all know, Hong Kong is an intensively developed place. Owing to the natural development of our urban area in the past, many previously built roads and flyovers are either close to or even cutting through residential areas. This has caused various environmental problems, such as traffic noise. Following the overall development of our community and the rising public demand in terms of the quality of life, we gradually establish a town planning system and set various environmental targets for the long-term goal of sustainable development.

Since the mid-1980s, we have incorporated traffic noise standards into the Hong Kong Planning Standards and Guidelines (Hong Kong PSG). This requires that when planning new roads, the relevant government departments or developers must ensure that noise levels at noise sensitive receivers meet the standards. They have become statutory road traffic noise limits for designated projects under the Environmental Impact Assessment (EIA) Ordinance since April 1998 when traffic noise standards were included in the Technical Memorandum under the EIA Ordinance. Therefore the design of new major roads must comply with the traffic noise standards.

Despite the introduction of the planning standards and the EIA Ordinance, quite a number of residents are still affected by traffic noise arising from many previously built roads and flyovers. However, simply put, there are no simple methods or technology to drastically reduce the overall traffic noise level in Hong Kong. To mitigate the noise impact of existing roads on nearby residents and minimize problems, the Government implemented in 2000 a policy of retrofitting noise barriers and enclosures or resurfacing with low noise materials on existing roads (including flyovers and expressways cutting through old districts) with a traffic noise level exceeding the limit of 70 dBL_{10}(1 hour) to minimize noise where practicable and resources are available.

Apart from the traffic noise level and allocation of resources, technical feasibility is a prerequisite for retrofitting existing road sections with noise barriers and enclosures. We must consider, inter alia, the following criteria:

(i) whether the noise barrier or enclosure will obstruct any emergency access or hinder fire fighting efforts;

(ii) whether the noise barrier or enclosure will affect road safety or obstruct the flow of pedestrians and traffic; and
(iii) whether there is adequate space and structural capability (applicable to flyovers) for supporting the noise barrier or enclosure.

Since 2001, the Government has carried out retrofitting works of noise barriers on 17 existing road sections in Hong Kong under the above policy. Retrofitting works on eight road sections, nearly half of the road sections, have been completed, whereas the construction of noise barriers on the remaining nine sections is in progress. Owing to various objective constraints, immense difficulties are encountered in retrofitting quite a number of existing roads and flyovers with noise barriers or enclosures, with the lack of space and of structural capability very often being the most common reason.

Another effective means to reduce noise is to resurface the road surface with low noise surfacing material. However, in using such material, we must consider the actual traffic condition of the road concerned and the types of vehicles travelling on it. This is because if such material is used on a steep road or a location where many heavy vehicles start or stop, the road surface will be damaged quickly, resulting in more noise instead. The Government has selected 21 suitable sections of expressways (with a speed limit of 70 km per hour or above) for resurfacing with low noise surfacing material. The noise level can be reduced by up to 5 dB. We have further selected over 90 local road sections for testing the noise reduction and engineering effectiveness of low noise surfacing material. So far we have completed the surfacing works for 59 local road sections. The noise level can be reduced by up to 2 dB.

My reply to Dr LAU Wong-fat's question is as follows:

(a) According to the Environmental Protection Department (EPD)'s assessment, throughout Hong Kong there are about 14 locations exposed to traffic noise similar to that of Kwai Chung Road Flyover in Mei Foo Sun Chuen, Ma Tau Wai Road Flyover in Hung Hom (that is, East Kowloon Way) and Tsing Fung Street Flyover in Tin Hau. It is estimated that about 100,000 residents are affected. The details of such locations, whether noise barriers or enclosures can be retrofitted, and whether low noise surfacing material can be used, are set out at the Annex.
(b) The EPD uses traffic flow data (based on traffic flow, traffic speed and ratio of heavy vehicles) to assess traffic noise from major roads in Hong Kong. Therefore, measurements at extensive locations are not required. As regards the impact on the residents, traffic noise may cause annoyance and sleep disturbance, but no international research has indicated that traffic noise is causing other health problems.

(c) The Annex has set out in detail the reasons why noise barrier or enclosure cannot be provided at each location. To sum up, the EPD has invited the Highways Department (HyD) from time to time to explore the feasibility of retrofitting these facilities at such locations. However, as such flyovers were built many years ago — nearly 20 or 30 years ago — their structure cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyovers. Moreover, the provision of noise barriers or enclosures at many of the locations will affect for instance, fire fighting and rescue efforts. So, no noise barrier or enclosure can be retrofitted.

As for the use of low noise surfacing material, apart from, for example, Prince Edward Road, Tsing Fung Street Flyover and Hill Road Flyover where low noise road surfacing is not suitable for such reasons as road traffic, gradient or curvature, the HyD has surfaced many locations, including Kwai Chung Road Flyover, East Kowloon Way and other suitable road sections in old districts, with low noise surfacing material to mitigate traffic noise. The HyD will resurface the roads regularly and monitor the condition of road surface, including carrying out maintenance works if road surfaces are damaged so as to minimize traffic noise as far as practicable.

Lastly, although there is no quick and easy solution to the traffic noise problem, the Government understands the public concern over the problem of road traffic noise. We will continue to prevent this problem by a multi-pronged approach. This includes the requirement of the adoption of the most suitable noise mitigation measures for new development areas, large-scale development
projects and new roads through planning and environmental impact assessment. This can help us prevent new noise problems and help Hong Kong as a city move towards the goal of sustainable development. We will also adopt the statutory vehicle noise standards and continue to keep in view the availability of new technology in the market as far as practicable to minimize the nuisance of traffic noise to the residents.

Annex

Flyovers and expressways in old districts which are affected by traffic noise

<table>
<thead>
<tr>
<th>Flyover or road section</th>
<th>Feasibility of retrofitting with noise barriers and surfacing with low noise surfacing material</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kwai Chung Road (near Mei Foo)</td>
<td>- As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints. - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.</td>
</tr>
<tr>
<td>2. West Kowloon Corridor (Tai Kok Tsui Road)</td>
<td>- As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints. - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.</td>
</tr>
<tr>
<td>Flyover or road section</td>
<td>Feasibility of retrofitting with noise barriers and surfacing with low noise surfacing material</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 3. West Kowloon Corridor (Tong Mei Road)| - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.  
- Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise. |
| 4. Prince Edward Road Flyover           | - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.  
- This flyover is not suitable for surfacing with low noise surfacing material due to road traffic and its gradient. |
| 5. Prince Edward Road West Flyover      | - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.  
- This flyover is not suitable for surfacing with low noise surfacing material due to road traffic and its gradient. |
<table>
<thead>
<tr>
<th>Flyover or road section</th>
<th>Feasibility of retrofitting with noise barriers and surfacing with low noise surfacing material</th>
</tr>
</thead>
</table>
| 6. Kwai Chung Road (near Lai King Estate) | - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover.  
  - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.                                                                                     |
| 7. Kwai Chung Road (Middle to Lower Kwai Chung) | - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover.  
  - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.                                                                                     |
| 8. Chatham Road North        | - As this flyover was built over 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.  
  - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.                                                                                     |
| 9. East Kowloon Way         | - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.  
  - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.                                                                                     |
10. Tsing Fung Street Flyover - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.
- This flyover is not suitable for surfacing with low noise surfacing material due to its relatively high gradient.

11. Hill Road Flyover - As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints.
- This flyover is not suitable for surfacing with low noise surfacing material due to road traffic, its curvature and gradient.

12. Princess Margaret Road Flyover - As this flyover was redeveloped in the 1980s, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover.
- Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.
<table>
<thead>
<tr>
<th>Flyover or road section</th>
<th>Feasibility of retrofitting with noise barriers and surfacing with low noise surfacing material</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Gascoigne Road and Ferry Street Flyover</td>
<td>- As this flyover was built about 30 years ago, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. Moreover, the provision of noise barriers or enclosures on this flyover will be subject to fire fighting and rescue constraints. - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.</td>
</tr>
<tr>
<td>14. Island Eastern Corridor (Tin Hau to Shau Kei Wan)</td>
<td>- As this flyover was built in the 1980s, it cannot bear the extra load brought about by the retrofitting of noise barriers or enclosures. Neither is there enough space to accommodate a free-standing structure for erecting noise barriers along the flyover. - Suitable road sections have been surfaced with low noise surfacing material to mitigate traffic noise.</td>
</tr>
</tbody>
</table>

**DR LAU WONG-FAT** (in Cantonese): President, compared to the requirement for new or expanded vehicular flyovers and expressways to be retrofitted with noise barriers to mitigate their impact on nearby residents, the same treatment has not been accorded to flyovers and expressways built in old districts in the earlier times. Will the Government inform this Council whether the authorities will expeditiously review the relevant policy or criteria, so that more residents can avoid the noise impact?

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): President, Dr LAU, concerning a review of the feasibility of retrofitting noise barriers or enclosures at various locations, as I pointed out just now, many existing flyovers were built years ago — 20 or 30 years ago — and are subject to numerous
constraints in many aspects, including the structural load they can bear, whether there is new space in addition to the existing space to accommodate an extra free-standing structure for noise barriers to be erected, and whether the extra structure will have an impact in other aspects, such as fire fighting and rescue efforts, and so on. All these are complicated technical issues. That said, we understand the concern of members of the community over traffic noise. According to the prevailing policy, we will reconsider the feasibility of this approach and allocation of resources to minimize the impact of traffic noise thus generated on members of the public.

MR LEE CHEUK-YAN (in Cantonese): President, I have to declare an interest first. The first item in the Annex, that is, Kwai Chung Road Flyover (near Mei FOO), is situated just 30 m off my home. There are flyovers on both sides of the place where I live, with one being Kwai Chung Road Flyover and the other a new flyover along the seafront. My home, flanked by flyovers on both sides, is seriously affected by noise nuisance. I am exposed to traffic noise every night.

Insofar as such flyovers are concerned, as you stated just now, new technology will be studied. May I ask the Secretary, with the advances in technology nowadays, is there really no new technology or material which can enable noise barriers to be retrofitted on old flyovers? Will the Government conduct more studies in this regard, because the only feasible solution is to retrofit noise barriers. It is absolutely useless to resurface the roads. I have to close the windows and turn on the air-conditioner before I can sleep every night. In fact, it is not environmentally-friendly to do so. If there is a solution to the noise problem, I believe it is helpful to the environmental protection work in Hong Kong, as it will obviate the need for people to turn on their air-conditioners every night. Will the Secretary conduct studies on new technology in this regard?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, thanks to Mr LEE for his supplementary question. As I mentioned just now, many old flyovers were built more than 20 years ago. As they are subject to considerable constraints in terms of structural load, this is the greatest obstacle if noise enclosures or barriers are to be retrofitted at present. Certainly, some other ways
can still be considered. For instance, if noise enclosures cannot be retrofitted, as I mentioned just now, we may consider if the road surface can be resurfaced to minimize the impact. This is a two-pronged approach, though it is not necessarily perfect.

Nevertheless, despite the considerable constraints, our colleagues have been keeping in view studies in other parts of the world for the availability of new technology or material which is applicable to Hong Kong's environment, and will continue to make efforts in such work. Hence, a simple answer is not available for the time being to the supplementary question raised by Mr LEE. However, our colleagues understand the aspirations of members of the community for this. We will make efforts to study if there is a way that suits Hong Kong's environment with a view to minimizing the impact by all means.

IR DR LO WAI-KWOK (in Cantonese): President, the existing noise barriers in Hong Kong have had a negative impact on the landscape, with Tolo Highway being a prominent example. This is because a long section of the noise barrier at Tolo Highway is not transparent, so vehicles travelling on this section are like being trapped inside a tunnel. It is indeed spoiling the pleasure of the passengers and tourists in the vehicles because they cannot admire the beautiful scenery of Tolo Highway. This explains why residents voiced strong objection to the noise barriers retrofitted at Tolo Highway while expressing the hope for ameliorating traffic noise at that time. After all, such a long section of the Highway has already been retrofitted with such noise barriers ……

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

IR DR LO WAI-KWOK (in Cantonese): Hence, my supplementary question is: While achieving the actual effect of reducing traffic noise without affecting traffic and taking into consideration the possibility of providing essential emergency facilities, and so on, is there a new way of design to improve the impact on the landscape?
SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Ir Dr LO, I understand that in addition to traffic noise, Members are concerned about the entire cityscape, too. It is also the earnest wish of public works departments to strike a balance between considerations in these two respects. First of all, I would like to say a few words about the relevant process. In the past, the Government had all along emphasized that the relevant District Council would be consulted on the entire process. For instance, the aesthetic design of noise barriers may be submitted to the Advisory Committee on the Appearance of Bridges and Associated Structures (ACABAS) for vetting. The members of the ACABAS come from different professions, including members of institutes of engineers and architects, and even representatives from other public works departments. As a result, the views expressed by both professionals and local people can be incorporated into the process, thus enabling the aesthetic design of these structures to strike a balance between the local and landscape needs.

In 2000, the Guidelines on Design of Noise Barriers were introduced by the EPD in collaboration with the HyD to provide information on the construction, material selection, maintenance and aesthetic design of noise barriers for reference by professionals. Certainly, we hope that the design of noise barriers can be enhanced. Hence, the "Open International Ideas Competition for Noise Barrier/Enclosure Design" was completed in 2009 by the HyD and the EPD. Through the Competition, a better balance has been struck in the community between the functions and landscapes of noise barriers. Among others, some most aesthetic and lively designs in various cities have been identified for future reference by relevant departments. For instance, the works carried out by the HyD to retrofit noise barriers between Po Shek Wu Road and Fan Ling MTR Station on Fan Ling Highway has adopted a merit entry of the Competition for their concept of design. Such an approach may be even more applicable in other areas. For instance, the Civil Engineering and Development Department has just held an idea competition in collaboration with the EPD, the HyD and relevant professional bodies for the design of noise barriers for the Tsuen Wan Bypass. These competitions can enable noise barriers to be enhanced further, so that a balance can be struck between aesthetic designs and functions.

MR ALBERT HO (in Cantonese): President, the 10-odd buildings mentioned by the Secretary in his speech are all situated near flyovers. If Members pass by these buildings in cars, they will find that one can even jump from the flyovers to the windows of these buildings. We really cannot understand why those residents could endure the noise for years. In fact, the purpose of the
supplementary question raised by Dr LAU Wong-fat is to appeal to the Government to really adopt a "people-based" approach in the interest of the residents to come up with ways to retrofit noise barriers. Nevertheless, the Secretary's reply this time around is that nothing can be done due to structural load problems. However, we have been told by engineers that actually everything can be done, and it is merely a matter of money.

Concerning the Secretary's remark that it is structurally impossible to bear the load, may I ask him once again whether he has studied the feasibility of retrofitting vertical supporting structures that reach the ground at these flyovers to prop up noise barriers to give the residents a helping hand? Can he put more thoughts into this matter rather than saying that nothing can be done and merely caring about money in answering the people's aspirations?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, thanks to the Honourable Member for the supplementary question. I believe the Government also hopes to alleviate the disturbance caused by the noise problem to the people. Hence, our policy is to strike a balance between the people's aspirations and government expenditure by all means. Concerning the feasibility of retrofitting free-standing supporting structures to enable noise barriers to be installed at old flyovers built more than 20 years ago because their structure cannot bear the retrofitting of noise barriers, as I briefly mentioned in my main reply just now, very often, there is no space at these locations for us to retrofit supporting structures to enable noise barriers to be installed, or the new noise barriers might pose traffic or safety problems or impose fire-fighting constraints.

What I wish to say is that our major consideration is to minimize by all means the disturbance caused to members of the public in this respect. This is also the common view of the Government and Honourable Members. Hence, it is not that the Government wishes to save money by all means, but it hopes that a balance can be struck. Moreover, we hope that members of the public and Honourable Members can understand that the works are very often subject to constraints. Nevertheless, we will not stay put. Our colleagues will conduct new research by all means to examine if there is any new idea or breakthrough which can strike a balance between people's livelihood, financial considerations, environmental protection, and so on. We will continue to make efforts in the hope that the nuisance can be reduced.
DR KWOK KA-KI (in Cantonese): President, the Secretary has stated in his reply that noise barriers cannot be retrofitted at the 10-odd locations because the flyovers there were built some 30 years ago. May I ask the authorities whether there are other solutions because traffic management measures are adopted in some cities to, for instance, prohibit heavy vehicles from using roads near residential areas at night? Regarding Prince Edward Road West Flyover, Chatham Road North and Hill Road Flyover, or the places within reach from the flyovers as mentioned by Mr Albert HO just now, has the Government considered adopting similar measures?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, thanks to the Honourable Members for the supplementary question. Our colleagues have already considered the option of a traffic management scheme. In general, the implementation of a traffic management scheme is meant to prohibit the access of certain vehicles, such as heavy vehicles, to certain zones or road sections around the clock or at night, in order to reduce traffic noise on the roads. Nevertheless, we must think up suitable alternative routes for use by those vehicles during the prohibition period, in order that the traffic management scheme can be implemented successfully. In this connection, we have to communicate with the industry, the transport sector and road users to gain their acceptance before considering such control schemes. Besides implementing a traffic control scheme at Texaco Road Flyover, we will continue to explore the feasibility of adopting management measures at other road sections. We will conduct detailed studies on various methods and hope to adopt different methods at different locations with a view to minimizing the impact of noise nuisance on the public by all means. The views of Honourable Members will be fully considered, too.

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

Phasing Out of Old Diesel Commercial Vehicles

4. MR CHAN HAK-KAN (in Cantonese): President, the yearly number of days on which the Air Pollution Index exceeded 100 (that is, air pollution reaching a "very high" level) as recorded by the roadside air quality monitoring stations of the Environmental Protection Department had increased continuously...
in the past seven years. The Secretary for the Environment indicated earlier that in order to address this problem, the authorities would examine the phasing out of old diesel commercial goods vehicles, including making reference to the practices on the Mainland and places outside Hong Kong of not renewing the licences of diesel goods vehicles which had reached 15 years of age. In this connection, will the Government inform this Council:

(a) of a breakdown of the current number of commercial vehicles by vehicle class (including light, medium and heavy goods vehicles, public and private light buses, non-franchised buses as well as franchised buses) and the emission standard (that is, pre-Euro, Euro I, Euro II, Euro III, Euro IV or above) with which they comply, and among such vehicles, the numbers of those which are 15 years old or above;

(b) of the number of applications received by the authorities since the introduction of the incentive schemes in 2007 from owners of diesel commercial vehicles to switch to more environment-friendly commercial vehicles, as well as the total amount of grant approved; of the classes of vehicles in respect of which the numbers of applications are relatively smaller, and whether they have assessed the reasons for that; how the authorities assess the effectiveness of these incentive schemes; and

(c) apart from considering the aforesaid measure of not renewing vehicle licences, whether the authorities will consider providing greater incentives (including extending the implementation period of the abovementioned incentive schemes, increasing the amount of grant, providing low-interest loans or exempting the vehicle first registration tax, and so on), so as to encourage the trade to switch to more environment-friendly commercial vehicles; if they will, of the details; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, my reply to CHAN Hak-kan's question is as follows:

(a) As at end June 2012, there were a total of 127 100 licensed diesel commercial vehicles. They include light, medium and heavy goods vehicles, public and private light buses, non-franchised and
franchised buses, of which 36,800 are aged 15 years or above. A breakdown of these vehicles by categories and emission standards is in Table 1.

(b) The Government launched two incentive schemes in 2007 and 2010 to encourage vehicle owners to replace their pre-Euro and Euro I and Euro II diesel commercial vehicles respectively with new commercial vehicles. The incentive scheme for pre-Euro and Euro I vehicles was concluded in end March 2010. A total of 17,103 applications were approved by the Government, involving a grant of about $770 million. About 29% of the eligible vehicles participated in the scheme. The participation rates of light goods vehicles and heavy goods vehicles, at 25% and 24% respectively, were below the overall rate.

The incentive scheme for Euro II diesel commercial vehicles was launched in March 2010 and will conclude in end June 2013. As at October 2012, a total of 3,956 applications were approved, involving a grant of about $340 million. Among the vehicles eligible for the incentive scheme, the participation rates of diesel light buses, light goods vehicles and heavy goods vehicles were 5%, 11% and 12% respectively. Participation in the vehicle replacement incentive scheme is voluntary, and whether vehicle owners replace their vehicles or not is purely their commercial decision. According to some trade members, the uncertain outlook of the transport business discourages vehicle owners to replace their vehicles. A breakdown of participation rates of these two incentives schemes by vehicle categories are in Table 2 and 3.

(c) The low participation rates of the two voluntary schemes underscore the need for both incentives and regulatory measures approach to expedite effectively the replacement of heavily polluting vehicles. As for incentives, there is a suggestion of increasing the subsidy level to encourage the early replacement of these old vehicles, and some transport trade members suggest the provision of financial incentives to encourage vehicle owners to scrap their heavily polluting commercial vehicles. We will carefully consider the trades' suggestions, having regard to their implications for public finance, the "polluter pays" principle and their effectiveness in the early improvement of roadside air quality.
As for regulatory measures, we proposed to increase the licence fee of old diesel commercial vehicles at the meetings of the Legislative Council's Panel on Environmental Affairs and its Subcommittee on Improving Air Quality in November 2008 and March 2010 respectively. The proposal was not supported but it remains an option for consideration. Moreover, we understand that measures are implemented elsewhere to limit the service year of heavily polluting vehicles. For example, New York will tighten the age limit for taxis from six years to five years in 2015; London has recently stipulated that the age limit for taxis is 15 years; the Mainland requires goods vehicles not to exceed 15 years in age.; and Singapore sets the maximum life span of coaches and goods vehicles at 20 years. We are looking into various options and will in due course widely consult the Legislative Council, the transport trades and relevant stakeholders.

Table 1

A breakdown of licensed diesel commercial vehicles by categories and emission standards (as at end June 2012)

<table>
<thead>
<tr>
<th>Vehicle Categories</th>
<th>Light Goods Vehicles</th>
<th>Medium Goods Vehicles</th>
<th>Heavy Goods Vehicles</th>
<th>Public Light Buses</th>
<th>Private Light Buses</th>
<th>Non-franchised Buses</th>
<th>Franchised Buses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Euro/Euro I</td>
<td>18 200 (18 200)</td>
<td>8 900 (8 900)</td>
<td>900 (900)</td>
<td>300 (300)</td>
<td>700 (700)</td>
<td>400 (400)</td>
<td>1 100 (1 100)</td>
</tr>
<tr>
<td>Euro II</td>
<td>12 800 (2 900)</td>
<td>6 900 (2 400)</td>
<td>900 (500)</td>
<td>500 (100)</td>
<td>300 (25)</td>
<td>1 300 (200)</td>
<td>2 600 (200)</td>
</tr>
<tr>
<td>Euro III</td>
<td>17 100 (10 000)</td>
<td>9 500 (500)</td>
<td>500 (100)</td>
<td>200 (25)</td>
<td>2 700 (200)</td>
<td>1 300 (200)</td>
<td></td>
</tr>
<tr>
<td>Euro IV or above</td>
<td>21 600 (11 300)</td>
<td>11 600 (1 400)</td>
<td>1 600 (1 400)</td>
<td>200 (700)</td>
<td>3 200 (600)</td>
<td>5 900 (1 300)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>69 700 (21 100)</td>
<td>36 900 (11 300)</td>
<td>3 900 (1 400)</td>
<td>1 400 (700)</td>
<td>7 600 (600)</td>
<td>5 900 (1 300)</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Number of vehicles rounded to the nearest hundred.

(2) No pre-Euro franchised buses.
Table 2

Incentive Scheme for the replacement of pre-Euro and Euro I diesel commercial vehicles

<table>
<thead>
<tr>
<th>Vehicle Categories</th>
<th>Number of participated vehicles</th>
<th>Participation rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Goods Vehicles</td>
<td>8 610</td>
<td>25%</td>
</tr>
<tr>
<td>Medium Goods Vehicles</td>
<td>6 141</td>
<td>31%</td>
</tr>
<tr>
<td>Heavy Goods Vehicles</td>
<td>339</td>
<td>24%</td>
</tr>
<tr>
<td>Diesel Light Buses</td>
<td>764</td>
<td>37%</td>
</tr>
<tr>
<td>Non-franchised Buses</td>
<td>1 249</td>
<td>66%</td>
</tr>
<tr>
<td>Total</td>
<td>17 103</td>
<td>29%</td>
</tr>
</tbody>
</table>

Note:
(1) The incentive scheme completed in March 2010.

Table 3

Incentive Scheme for the replacement of Euro II diesel commercial vehicles

<table>
<thead>
<tr>
<th>Vehicle Categories</th>
<th>Number of participated vehicles</th>
<th>Participation rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Goods Vehicles</td>
<td>1 544</td>
<td>11%</td>
</tr>
<tr>
<td>Medium Goods Vehicles</td>
<td>1 556</td>
<td>18%</td>
</tr>
<tr>
<td>Heavy Goods Vehicles</td>
<td>122</td>
<td>12%</td>
</tr>
<tr>
<td>Diesel Light Buses</td>
<td>43</td>
<td>5%</td>
</tr>
<tr>
<td>Non-franchised Buses</td>
<td>691</td>
<td>32%</td>
</tr>
<tr>
<td>Total</td>
<td>3 956</td>
<td>14%</td>
</tr>
</tbody>
</table>

Notes:
(1) The Government earmarked $540 million for this programme.
(2) The incentive scheme will end by the end of June 2013.
MR CHAN HAK-KAN (in Cantonese): President, we agree also that the way to tackle the problem of roadside air pollution is to regulate vehicles. However, instead of making such great efforts and only attracting 30% of the vehicle owners to replace their diesel vehicles, why does the Government not target the greatest source of roadside air pollution, that is, the buses? The relevant figures show that close to 4,000 of the buses belong to pre-Euro, Euro I and Euro II types and they often run in districts with a very dense population. If these buses are phased out, roadside air quality should be effectively improved. But the Transport Department (TD) now requires that these buses should be 18 years old before they should be replaced. But on the other hand, the TD requires drivers of self-owned goods vehicles to replace their vehicles when they reach an age of 15 years. Why is there such a big difference? Is the Government being nice to those who are powerful, that is, those giant consortia and bus companies while it is nasty to those drivers of goods vehicles who have to live from hand to mouth?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Mr CHAN, our policy mainly targets vehicles of heavy pollution and the age of vehicles is only a standard for reference. Why should the vehicle age limit be set at 15 years or above? This is because the age of most vehicles of pre-Euro, Euro I and Euro II standard is over 15 years and these vehicles have a high emission volume. So with respect to our policies both in the past and present, they are aimed at vehicles of high pollution and we hope to phase out these vehicles as soon as possible.

About buses, Mr CHAN was right when he said that there is a close relationship between air pollution in Hong Kong and buses. So the Government has formulated some policies in the hope that zero-emission buses can be used in Hong Kong some day. Currently, the existing franchises of the bus companies will expire one by one in the next few years and we will add new terms and conditions to the new franchise agreements to require bus companies that when they are to replace their old buses, they should give full consideration to the affordability of passengers and the feasibility of their plans as they replace the old buses with environmentally-friendly ones.
Under the existing laws and regulations, the age of serving buses is set at 18 years. We know that bus companies, unlike individual operators, can carry out proper repairs and maintenance of their fleets and the effectiveness is maintained at a certain level. We really want to phase out some old buses and we expect all pre-Euro and Euro I buses to be phased out by 2015. As for Euro II and Euro III buses, we are planning to introduce a scheme to retrofit diesel particle filters to reduce the emission of particles and also selective catalytic reduction (SCR) systems to reduce the emission of nitrogen oxides. The relevant study is almost complete and we hope that the results can be applied to buses as soon as possible, so that the performance of these buses can be raised from Euro II to Euro IV or from Euro III to Euro V standard. By raising the performance of most of the buses, it is hoped that the impact produced by buses on roadside air quality can be reduced. Put simply, we have made a lot of efforts on buses and the remaining stakeholders which produce the greatest impact on roadside air quality are the diesel goods vehicles. We hope that a suitable solution can be found to the problem.

MR FRANKIE YICK (in Cantonese): President, the Secretary has just mentioned that in order to phase out old diesel commercial goods vehicles, the authorities would draw reference from the practice adopted on the Mainland, that is, the licence for diesel goods vehicles with an age of 15 years will not be renewed. However, has the Secretary ever noticed that those goods vehicles running on the Mainland are mostly made by mainland manufacturers while those used in Hong Kong are usually from Japan and Europe and not only are they subject to regular maintenance but they also have to get their licences renewed every year after passing an inspection. Therefore, those commercial vehicles in Hong Kong, that is, those trucks, can usually run for 20 years or more before they are discharged from service. The Secretary has also mentioned in his main reply that the maximum age limit for tourist coaches and goods vehicles permitted in Singapore is 20 years. This is quite close to the situation in Hong Kong. May I ask the Secretary what standards the Government will use to determine the final retirement age for vehicles? This is my first point. Second, the main reply by the Secretary also mentions that with respect to offering greater incentives to people in the trade to replace their vehicles, consideration will be
given to public finance and the "polluter pays" principle. I recall that last time in the environmental protection ……

PRESIDENT (in Cantonese): Mr YICK, each Member can only ask one question in raising a supplementary question.

MR FRANKIE YICK (in Cantonese): …… Yes, President.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, thanks to Mr YICK for the supplementary question. On the question of setting an age limit, we will maintain a close dialogue with the relevant trades for the purpose of setting some objective standards. As I said just now, vehicle age is only one of the considerations, while another important consideration is whether the vehicles concerned belong to pre-Euro, Euro I, Euro II or Euro III standard. This is because even if these vehicles are serviced differently, the emissions of these types of vehicles will affect the extent of the pollution they cause. So we will work on reaching some objective standards in this regard.

With respect to different retirement ages for such vehicles set by different cities and places such as the Mainland and Singapore, we would keep a close watch on these in the hope of setting a standard applicable to the situation in Hong Kong. However, Members and the public must understand that the situation in Hong Kong is very much unique, that is, we have a dense population, narrow streets and many high rises, thus forming a very narrow and deep environment like a canyon in the middle of a city. I believe this is unique in the world. So as it is difficult for us to change the objective environment, we have to raise our requirements on the quality of roadside vehicles before we can hope to ensure a certain air quality. Our requirements in this respect should be higher than those in Singapore and the Mainland. I am sure Members will appreciate that these are the restrictions imposed on us by our objective environment. However, we will keep on liaising with the trades so that a balance can be struck between doing business and protecting public health and air quality.
PRESIDENT (in Cantonese): Mr YICK, what is your point?

MR FRANKIE YICK (in Cantonese): President, I can see that the Secretary …..

PRESIDENT (in Cantonese): Mr YICK, if you think that the Secretary has not answered your question, you can only ask a question on the part not answered by the Secretary. But if you wish to raise another question, please wait for your turn to do so.

MR DENNIS KWOK (in Cantonese): President, with respect to the question of air quality, the authorities have been unwilling to update the air quality objectives and I am sure the Secretary has read the report released by the Audit Commission lately, then why does the Secretary not invoke section 7(1) of the Air Pollution Control Ordinance to introduce some administrative measures immediately to update the air quality objectives? It could be the answer from the authorities that they are preparing to amend the existing Air Pollution Control Ordinance to add in a mechanism which requires a review to be undertaken every five years. But actually, the two matters can be separated, that is, the Ordinance can be amended to add in the requirement for a review to be undertaken every five years and also the authority vested in section 7 can also be invoked to update the air quality objectives immediately. Why do the authorities not take this course of action?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, with respect to the question of updating the air quality objectives, I am sure Members, colleagues in the Government and members of the public are all very concerned about it and they hope very much that the overall air quality of Hong Kong can be improved. Such objectives are one of the ways that can help us move forward in that direction.
Members have earlier mentioned other methods to implement these objectives. As a matter of fact, we have reviewed the issue with the stakeholders concerned, namely, how the matter can best be taken forward in line with the local conditions. We consider that the method which can best balance the concerns of all parties would be to amend the existing law and bring it into force in 2014. Why? This is, for example, about the suggestion made earlier to write into the law that a review be undertaken every five years, and for that purpose we have to formulate some sort of transitional arrangement because there is no such arrangement in the existing law. Such an arrangement would make possible the smooth transition from old to new objectives in ongoing projects or completed projects which can be fine-tuned. Also, such an arrangement can revise certain arrangements found in the environmental impact assessment reports. All these arrangements would require careful consideration so that there can be a smooth transition from old objectives to new ones in the existing works projects.

While it is our wish that a balance can be struck between these two aspects, I would still wish to add that with respect to the many major government works projects, it is known that there will be some new air quality objectives. So these major projects have adopted the new objectives of their own accord in conducting environmental impact assessments. In fact, I do not think there will be any big difference in overall air quality in Hong Kong if we adopt one standard or the other. The Environment Bureau has discussed the issue earlier with scholars from different universities in Hong Kong, green groups and other stakeholders on what can be considered a most balanced and effective approach for Hong Kong. Our suggestion has gained the support of many scholars and green groups, and I am sure we are moving in the right direction.

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

MR DENNIS KWOK (in Cantonese): President, just a very brief question for elucidation. May I ask the Secretary whether the works projects mentioned by him include the third runway?
PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I do not think I will give a reply to this question on behalf of the Airport Authority. But as far as I know, the environmental impact assessments to be done by the Bureau are based on the new air quality objectives to be adopted. And reports on environmental impact assessments are prepared with these objectives in mind. So in this respect, I think the third runway will share the same direction as other major works projects.

DR KENNETH CHAN (in Cantonese): President, recently, the report of the Audit Commission has clearly told members of the public that government work in improving air quality is a failure. So I would like to raise some follow-up questions for the Secretary. I hope that the Secretary could raise his voice a bit when he gives a reply because he speaks too softly and it is hard for us to hear him clearly. In the Secretary's main reply, it is mentioned that a proposal was made in the Council's Panel on Environmental Affairs and its Subcommittee on Improving Air Quality, but the proposal was not supported. What I mean is the proposal made in the meetings on November 2008 and March 2010 to persuade the public, the trades and Members to agree to the introduction of what the Secretary has called "incentives and regulatory measures". I hope that the Secretary can be more specific in his reply and stop talking about abstract things like keeping a frank and open dialogue, and so on. I only want to know clearly this: Will some concrete proposals, timetables or plans be submitted to this Council as an attempt to encourage all the people of Hong Kong to join hands to work hard to improve air quality?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I am sure it is a common wish among us that Hong Kong's air quality, especially the roadside air quality, can be improved. It is also hoped that some specific measures can be devised in response to the report of the Director of Audit. Put simply, the new-term Government will roll out a blueprint on air quality, then a roadmap will be devised on reaching the new air quality objectives, for example, what is the level to be achieved by 2015 and what is the level to be achieved in 2020. We are proactively taking forward work in this respect and we hope to
publish the results within this year so that both the public and this Council can see the results of our work. However, there are some specific details such as, for example, on how a two-pronged approach, that is, an approach marked by both reward and punishment, can be adopted in phasing out diesel goods vehicles. We need to liaise with various government departments and some time is required before the details can be made public. So what I wish to say is that we will propose an overall blueprint, goals and a timetable so that specific work can be done step by step.

PRESIDENT (in Cantonese): We have spent almost 23 minutes on this question. Fifth question.

Project to Convert Chai Wan Factory Estate for Public Rental Housing Use

5. MR CHRISTOPHER CHUNG (in Cantonese): President, on 30 August this year, the Chief Executive put forward 10 measures to increase housing supply, including a project to convert the Chai Wan Factory Estate (CWFE) under the Hong Kong Housing Authority (HA) for public rental housing (PRH) use (conversion project). The conversion project will provide about 180 one-person flats and one-bedroom flats and, in response to the local community's aspiration for conserving this only remaining H-shape factory building in Hong Kong, will preserve the original structure and appearance of the factory building. In this connection, will the Government inform this Council:

(a) whether, prior to the Chief Executive's announcement of the conversion project, the Antiquities Advisory Board (AAB) had conducted any historical building assessment for the CWFE or deliberated on its conservation work; if so, of the details; if not, whether studies on the conservation of the CWFE will be conducted before works of the conversion project commence;

(b) given that the CWFE was not originally designed for residential use, if it has assessed whether the conversion project will involve numerous structural alterations inside the building (such as adding lifts, windows and toilets, and so on), whether the alterations will make the appearance of the factory building lose its original
characteristics, and whether this will thus defeat the original intent of conserving the factory building; if it has, of the assessment outcome; and

(c) given that the CWFE is located at the centre of Chai Wan near the MTR station, if it has assessed whether the conversion project is cost-effective as it will provide merely 180 PRH units, how far the conversion project will help alleviate the public housing demand, how many PRH or Home Ownership Scheme flats may be provided by redeveloping the factory building, and whether the conversion project is the best option for comprehensive conservation of the CWFE; whether it has studied converting the factory building for other uses, such as art and culture, information technology or a base for young people's start-up multi-media businesses?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Government, through the HA, provides PRH flats to low-income families who cannot afford private rental accommodation, with a target of maintaining the average waiting time of General Waiting List (WL) applicants for PRH at about three years.

To expedite housing supply, the Chief Executive announced on 30 August 2012 ten short- to medium-term housing and land supply measures. Included among these was conversion of the HA's CWFE for PRH. This decision can increase the short-term supply of small size PRH units in the urban area to address the demand for PRH from singletons and small families. It has been taken in response to the local community's strong aspiration for the HA to preserve the last H-type factory building in Hong Kong.

With input from the Development Bureau, my answer to Mr Christopher CHUNG's three-part question is as follows:

(a) The Government is fully aware of the public's concern on the conservation of the CWFE. The AAB is handling the grading assessment of 1,444 historic buildings which have already been announced. The CWFE is not on the list of 1,444 historic buildings, but it has been included in the list of "New Items" of the
AAB in response to a suggestion from the public. The AAB will flexibly examine the grading of the "New Items" depending on their urgency. The Antiquities and Monuments Office (AMO) will consult the AAB on the grading of the CWFE before the conversion works on the Estate commence.

The HA has commissioned a Heritage Impact Assessment study to ensure that appropriate steps may be taken to conserve the original character of the CWFE after its adaptive reuse as PRH. The report will be submitted to the AMO and to the AAB before commencement of work to ensure conformance to conservation principles. We intend to provide an exhibition area to display the history of the CWFE after the conversion.

(b) Preservation of heritage buildings does not necessarily mean that we have to adhere to their original use. It is a well established approach to put buildings of historic value to new uses in order to inject new life into the buildings concerned for the benefit of the community.

The HA will preserve the important building features of the CWFE according to the result of the Heritage Impact Assessment, and will preserve the original structure, appearance and layout of the building as far as possible during the adaptive reuse of the project. When upgrading the building's facilities so as to match with the current regulations and codes, such as the addition of lifts and bathrooms, the conversion work will be carefully planned to ensure that the layout and appearance of the original building would be compatible with the concept of conservation.

There are many examples of adaptive reuse of historic buildings where new uses successfully blend in with the original building features. Indeed, even within the HA's stock of buildings, there are examples such as Mei Ho House, the last H-type PRH residential block, which is now being converted into a youth hostel. The H-type building type resembles the CWFE and the conversion of Mei Ho House serves as a successful example for reference.
There are about 200,000 applicants on the WL. To address the strong demand for PRH from the public and to maintain the average waiting time at about three years, the HA must make the best use of every site and maximize any scope for conversion/redevelopment. The demolition and redevelopment of the CWFE would of course provide more PRH flats. Preliminary assessment suggests that about 360 flats could be provided based on a plot ratio of six. We should not consider redevelopment potential alone, however, and should take into account local aspiration for preserving an early factory estate as a historic building. Not only will the conversion of the CWFE provide valuable housing supply in an expedient manner, we will be doing in accordance with local request to preserve the last H-type factory building. We believe this has struck a good balance between PRH supply and conservation.

When compared to the alternative which would involve demolition of the factory building followed by erecting a new PRH block on this site, the conversion can save both cost and time required for demolition, design, piling and other necessary works. Moreover, the conversion caters for the need to preserve the historic building. During the conversion work, the HA will make the best use of resources to achieve cost-effectiveness. With environmental concerns in mind, we will try to reduce construction waste, conserve energy and reduce carbon emission in the design and use of materials with a view to minimizing the alteration work needed to convert the CWFE to PRH. When compared with conversion, the demolition of the existing factory building and then rebuilding a new PRH block could increase flat production by just some 100 flats. Taking all factors into consideration, we consider that conversion would best serve the community's interests. Through the conversion, we can provide 180 new PRH units, including flats with an internal floor area of about 17 sq m and 31.5 sq m respectively at the CWFE by end 2015. This, when compared with demolition and then rebuilding, represents an advancement of two and a half years.

In response to the local community's request for cultural space, an area for the local youth to start their own business, and other community facilities, the HA is considering to reserve some space at ground floor of the converted CWFE for use by community, welfare, heritage preservation or specialty commercial activities.
MR CHRISTOPHER CHUNG (in Cantonese): President, the Secretary has not exactly replied to part (c) of the main question concerning the point on cost-effectiveness. May I ask the Secretary how long the conversion of the CWFE and its redevelopment will take respectively, as well as how much its conversion and redevelopment will cost respectively? The Secretary said that 180 units could be provided through conversion, which is a very small number. Alternatively, it can be redeveloped based on a plot ratio of six, but the Secretary said that this could provide only 360 units. Does the Administration plan to provide President's Suites for the public after its redevelopment?

This site is a harmony-type ……

PRESIDENT (in Cantonese): Mr CHUNG, please do not express your views. Have you asked your supplementary question?

MR CHRISTOPHER CHUNG (in Cantonese): No, I am trying to tell the Secretary that it cannot be 360 units, because a harmony-type PRH block has 800 units ……

PRESIDENT (in Cantonese): If you have asked you supplementary question, please sit down and let the Secretary give a reply.

MR CHRISTOPHER CHUNG (in Cantonese): May I ask the Secretary to tell us clearly how many harmony-type PRH blocks can be provided through redevelopment?

PRESIDENT (in Cantonese): Mr CHUNG, from what I have heard, you have asked at least four or five questions. Please repeat the supplementary question that you would like to put to the Secretary.
MR CHRISTOPHER CHUNG (in Cantonese): My supplementary question is about cost-effectiveness, including time, money and the number of units, and what I mean is ordinary harmony-type PRH units. How many units can be provided by the Government?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, at present, a plot ratio of three is used for conversion projects, and as I said in the main reply earlier on, redevelopment is based on a plot ratio of six, and this is why I said that 360 flats can be provided through redevelopment. Obviously, the number of flats that can be provided is slightly higher, but it is still not a large number. Why is it that only such a small number of flats can be provided? The reason is that the site itself is not very large.

As for the time required, as I have just said, if the option of conversion is taken, it can be completed by end 2015 the earliest. In the case of redevelopment, the construction works alone, such as piling, will generally take three and a half to four years, excluding the lead work.

MR WONG TING-KWONG (in Cantonese): President, the conservation of this site will incur exorbitant costs to the Administration. I think it does not have a high value for conservation; nor is this conservation project cost-effective. Hong Kong is in an acute shortage of land resources and we must identify sites for PRH development. Insofar as this site is concerned, may I ask the Administration whether consideration will be given to changing the current plan and developing new PRH block on the site if there is no objection from the District Council and the local community?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, just as Mr WONG has rightly said, we are trying to identify more land suitable for PRH development and even Home Ownership Scheme flats by all means. So, when it comes to space and land, we will never consider them enough. But after all, we need to strike a balance among various aspirations in society. Insofar as the CWFE is concerned, as I have pointed out in the main reply, it is the last H-type factory building built in 1959. There are certain aspirations from members of the local community who wish that this building with historical significance can be preserved by all means. It is after we had
balanced the considerations of all sides and listened to the views of the local community that we put forward this proposal which, we think, will lead to a win-win situation.

**MR JAMES TIEN** (in Cantonese): President, I have always considered that in order to develop factory buildings into residential units, redevelopment is more desirable than conversion because through redevelopment, a brand new block of building can be provided, whereas conversion only means repairs or patch-up works for, say, the elevators and bathrooms.

President, I think a new residential building provided through redevelopment will have a longer service life, but if only repairs work is carried out, the service life of the building will be shorter. In this connection, I wish to ask the Secretary this question, with regard to these 180 units to be provided through repairs or conversion works, for how many years can they be used; and if the option of redevelopment is taken, for how many years can the 360 new units be used?

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, generally speaking, redevelopment seems to be easier than conversion, because the latter requires the preservation of the original structure, appearance, and so on, of the building. It is true that we will face more challenges in the design and engineering works, but this is still not unfeasible. In fact, we have many successful examples of adaptive reuse of old buildings. In taking forward this conversion project, we will not make compromises in various aspects only for the sake of conversion. We will fully comply with the basic requirements in the Buildings Ordinance, including requirements in respect of environmental protection, fire safety, and barrier-free access. Our assessment shows that with appropriate structural works and proper repairs and maintenance in future, these converted buildings generally have a service life of dozens of years.

**PRESIDENT** (in Cantonese): Has your supplementary question not been answered?
MR JAMES TIEN (in Cantonese): President, he has not answered by supplementary question. I hope that a comparison can be drawn to tell us, for instance, whether a redeveloped building can have a service life of 30 years whereas that of a converted building will only be 10 years. He only said in his reply that the service life of converted buildings would be quite long, but what if a comparison is drawn between them?

PRESIDENT (in Cantonese): Mr TIEN, the Secretary has already answered that converted buildings generally have a service life of dozens of years. Secretary, can you say more accurately how long the service life of redeveloped buildings and converted buildings is respectively?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): For buildings in general, and if we take the old housing estates redeveloped by the HA as an example, these housing estates can have a service life of 40 or 50 years in principle, and this certainly depends on the actual completion time of the building and the standard of quality at the time. As for the conversion project under discussion now, our target is certainly not to provide housing for the tenants for a mere 10 years. Our target is dozens of years. If the Member would like to know the exact number of years, this will, to a large extent, depend on the future maintenance work, how they are used by the tenants, and so on. Our target is that the converted buildings will have a service life of 30 or 40 years.

MR WONG KWOK-HING (in Cantonese): President, the adaptive reuse and conservation of the CWFE is a demand made by Ms Miriam LAU and me in the last term of the Legislative Council, together with the concern group on the conservation of flatted factory buildings in Chai Wan, Chai Wan kai fong association, association of Chai Wan residents, New Jade Garden Owners' Committee, and a number of DC Members in the district. I am grateful to the Government for taking on board our view.

The Secretary made a very good point in the main reply that he gave us earlier on, saying that exhibitions will be held there in future to display the history of this last factory building in Chai Wan, which symbolizes the historical
process of the transformation of Hong Kong from an agricultural society to an industrial society.

We have noticed that there is Law Uk at a stone's throw away from the CWFE, which is precisely a showcase of how Hong Kong was like as an agricultural society before its development into an industrial society. My supplementary question to the Secretary is this: Can the AMO and relevant government departments conduct studies on linking up Law Uk with the last factory building in Chai Wan to become a cluster of historical buildings, so that members of the public will understand, through visits to these places or exhibitions, the history of the transformation of Hong Kong from an agricultural society to an industrial society?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first of all, I am very grateful to Mr WONG for his support for the adaptive reuse and conversion of the CWFE. Indeed, with regard to the conversion of a building with historical significance and even the reservation of space for use as a venue for exhibitions on its history, the completion of the conversion works is not the end of it. After their revitalization, the old buildings can perform the function of enabling the new generation to understand the social conditions and people's living at that time through visiting these buildings or personally experiencing the past. Therefore, the relevant publicity effort is crucial particularly to attracting more visits by the young generation to these buildings with historical significance. I agree with the views of Mr WONG, and we will certainly forge communication with the AMO. Apart from the CWFE and Law Uk, there are, in fact, many old buildings of historical value in different districts and communities all over the territory, and they should also be linked up together.

MR FREDERICK FUNG (in Cantonese): President, I certainly think that demolishing the building for redevelopment can provide more units than the current proposal on its adaptive reuse. I wonder if the Secretary has considered how the CWFE should be utilized from a broader perspective. The Peninsula Hotel is a case in point. It is a Grade 1 historic building, and it seems that nobody would dare to touch it and yet, in the process of its revitalization, expansion and addition works were carried out, and there is even a heliport there.
From this perspective, can we carry out addition works above the seven-storey CWFE, so that the space to be provided will not be limited to those seven storeys of the building? Let me say this once again. The Peninsula Hotel is a very good example to show that the Secretary should consider the uses of the CWFE from another perspective.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I do not know what procedures were involved or the factors for consideration when addition works were carried out at the Peninsula Hotel back then. In considering how to make the best use of the space of the CWFE, colleagues in the Housing Department have taken into account the various requirements in respect of town planning. In this connection, adaptive reuse schemes are generally executed within the existing space as far as possible, having regard to the surrounding environment. Therefore, it may not necessarily be feasible to adopt the approach taken in the case of the Peninsular Hotel at that time.

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

MR FREDERICK FUNG (in Cantonese): I asked him whether he would consider this possibility. Is he saying in his reply that this possibility is out of the question?

PRESIDENT (in Cantonese): Secretary, can you give a reply on whether the Administration will consider it?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I said in my reply earlier on, our colleagues have made reference to the town planning procedure by all means and considered the space that can be made available for adaptive reuse in compliance with the relevant requirements. We would certainly be glad to provide more PRH units through adaptive reuse, but it seems that all we can do now is to revitalize the structure of the building.
MR PAUL TSE (in Cantonese): President, it is certainly an ideal win-win proposal if a balance can be struck between conservation and housing supply. But reviewing past practices or examples of conservation, it seems that temporary uses were often involved, such as hotels, restaurants, or even other uses that can be more easily controlled by the Government. May I ask the Secretary whether there is any example of successful conversion of old buildings for PRH use? I think there is none. If there is such an example, how can the Government ensure that their conservation will not be more difficult or very difficult because over 100 households will be using these PRH units?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, thanks to Mr TSE for the reminder. We have to be very careful in handling the conservation work, in order to give play to the value of conservation. It is because conservation is not only about construction or structure, but also involves the future tenants of the buildings, or members of the public who will come for the exhibitions as I mentioned earlier. Therefore, we will certainly remind the tenants and draw their attention to the fact that these are buildings under conservation. The 180 households that we are talking about will have about 500 people. Since this is not a large number of people, we hope that it will be easier for us to carry out conservation. That said, we still have to remind the future tenants of this.

PRESIDENT (in Cantonese): We have spent over 22 minutes on this question. Last oral question.

Potential Reclamation Sites in New Territories East

6. MR JAMES TIEN (in Cantonese): President, early this year, the Government identified 25 potential reclamation sites outside the Victoria Harbour for public consultation, and six of them are in Ma On Shan, Tai Po and Tseung Kwan O. Residents from these districts have pointed out to me that the six sites are either areas with picturesque natural landscapes, important ecological environments, or fish farms; therefore, many people in and outside these districts oppose the Government reclaiming these sites. Some residents have further pointed out that given the lack of public bathing beaches in Tolo
Harbour of New Territories East at present, the authorities should designate one of the suggested reclamation sites, namely the Wu Kai Sha Beach, as a gazetted beach (commonly known as "statutory beach"). In this connection, will the Government inform this Council:

(a) of the progress of the technical studies conducted by the authorities in respect of reclamation in the aforesaid 25 sites, and the estimated time for making public the outcome of the studies and the list of possible reclamation sites for further consideration;

(b) whether it will, as a priority measure, remove Wu Kai Sha Beach, which is closest to residential areas, from the list of potential reclamation sites and designate it as a statutory beach; if it will, of the details; if not, the reasons for that; and

(c) given that the Government has indicated that when selecting reclamation sites, it will attach importance to the impact on the community and fully consider the views of members of the public, whether the authorities will remove the other five sites from the list of potential sites, so as to ease the worries of the residents as early as possible?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the Government has pursued a multi-pronged strategy for increasing land supply, reclamation outside the Victoria Harbour being one of the options to develop land resources and build up land reserves for Hong Kong. This strategy will facilitate the disposal of surplus public fill and contaminated sediments generated from redevelopment, infrastructure projects, building works and fairway dredging.

Under the Stage 1 Public Engagement exercise for Enhancing Land Supply Strategy: Reclamation Outside Victoria Harbour and Rock Cavern Development launched in November last year, we proposed eight initial selection criteria for identifying possible reclamation sites for discussion at Stage 2 Public Engagement. These eight site initial criteria included, first, impact on local community; second, site location and accessibility; third, meeting local needs; fourth, environmental impacts; fifth, environmental benefits; sixth, planning flexibility; seventh, engineering feasibility, and eighth, cost-effectiveness of new reclamation sites.
At the initial stage of consultation, some respondents commented that these initial criteria were relatively abstract and suggested the Government to provide more specific reclamation sites as illustrations to facilitate the public in considering these criteria according to the sustainability principle and from the social, economic and environmental perspectives. In response, the Civil Engineering and Development Department (CEDD) announced in early January 25 possible reclamation sites, which were divided into four categories (comprising artificial islands, reclamation to connect islands, reclamation upon artificial or disturbed shoreline and reclamation on sites close to natural but not protected shoreline). As we have repeatedly emphasized on many occasions, including public forums, meetings of Panel on Development of the Legislative Council and in response to press enquiries, that these 25 possible reclamation sites do not constitute a list of selected reclamation sites. Depending on the public views, the number of reclamation categories and sites may also be reduced or increased. Mr TIEN's question asked about the six sites located at Ma On Shan, Tai Po and Tseung Kwan O, which have been included as the 25 possible reclamation sites by the CEDD, and we only intend to collect public views on the selection criteria for reclamation sites.

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

(a) The Stage 1 Public Engagement exercise ended in March 2012. We have received through various channels over 50,000 submissions, including those on the abovementioned 25 possible reclamation sites. As revealed from the response of the Stage 1 Public Engagement, a majority of the public supported the land supply strategy of the "six-pronged" approach, which included rezoning, redevelopment, land resumption, reclamation outside the Victoria Harbour, rock cavern development and reuse of ex-quarry sites. Another observation is that there was general consensus on the aforementioned site selection criteria, which encompassed social, environmental and economic benefits, with particular emphasis on the impacts on the community, environment and marine ecology. We will give due consideration to these site selection criteria. Given the large number of submissions from the public, we need more time to complete the public engagement report, select the reclamation sites and conduct the relevant technical studies. We hope to publish the Stage 1 Public Engagement report and propose
several possible sites worthy for further consideration for reclamation and rock cavern development to launch the Stage 2 Public Engagement in the first quarter of next year.

(b) and (c)

I would like to reiterate that the 25 possible reclamation sites announced in January this year do not constitute a list of proposed reclamation sites. Therefore, there is no question of removing any site from the list. By using these sites as illustrations, we have collected many views on the site selection criteria. The public generally agreed to the site selection criteria encompassing social, environmental and economic benefits, with particular emphasis on the impacts on the community, environment and marine ecology. We will adopt these criteria in selecting reclamation sites.

On the designation of Wu Kai Sha Beach as a statutory beach, the Home Affairs Bureau and the Leisure and Cultural Services Department (LCSD) noted that the Sha Tin District Council (STDC) had discussed the development of this beach and recommended the LCSD to consider, in the light of the future development of Pak Shek, the feasibility of providing a beach nearby. But the LCSD did not have any development programme for the project as it was not a priority item of the STDC. If it is required to consider designating this natural beach as a statutory beach, the LCSD has to take into account many factors including location of the proposed site, provision of public swimming facilities in the neighbourhood, conditions of existing beach, water quality of the nearby areas, feasibility of developing supporting facilities, potential impacts on the local residents, land and marine environment, and the views of local community. The LCSD will consider the feasibility of the project carefully.

MR JAMES TIEN (in Cantonese): President, the Chief Executive has repeatedly stated his gravest concern about the inadequate land supply in Hong Kong and the need to identify sites expeditiously. However, the Secretary stated in his reply that the Stage 1 Public Engagement exercise had ended in March this year
and the Stage 1 Public Engagement report was expected to be published in the first quarter of next year, to be followed by the commencement of the Stage 1 Public Engagement exercise. Early this year, the Government said that the Stage 1 Public Engagement report would be published by the end of this year. May I ask the Secretary of the reasons for failing to publish the report by the end of this year and delaying the announcement to the first quarter of next year hopefully? Why has the Government allowed this to happen?

SECRETARY FOR DEVELOPMENT (in Cantonese): Thanks to Mr James TIEN for his supplementary question. As I mentioned earlier, we have received 50,000 submissions on the criteria for site identification and the 25 examples announced earlier. So, we really need some time to collate the views. Moreover, at the next stage of public engagement, we will propose certain possible sites for public discussion and reference. Regarding the preliminary work on site identification, some general engineering studies have to be conducted in advance, so we are slightly behind the original schedule. It is our target to publish the report in the first quarter of next year.

MR GARY FAN (in Cantonese): President, in the Secretary's earlier reply to part (c) of Mr TIEN's question, he mentioned that the STDC had not made the Wu Kai Sha Beach project a priority item. If the STDC now re-examines the project, takes into account the various factors the LCSD needs to consider in designating a natural beach as a statutory beach, as mentioned by the Secretary, and redefines the Wu Kai Sha Beach project as a priority item, may I ask the Secretary whether the Bureau will develop Wu Kai Sha Beach into a statutory beach as proposed by Mr TIEN in his question?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the designation of a natural beach as a statutory beach depends on its natural and geographical conditions, and consideration has to be given to the suitability of developing it into a public bathing beach. If the STDC expresses views in this respect, I believe colleagues in the LCSD will certainly liaise with them closely to discuss the follow-up work.
However, I have some supplementary information on hand, which I would like to provide to Mr Gary FAN as reference. Along the coast of Villa Oceania, which is in the vicinity of Wu Kai Sha, there is a large drain outlet, and off Wu Kai Sha Youth Village, there is a public pier. Therefore, the location between the two facilities is not a safe and suitable site for the development of a public bathing beach for swimming. The beach between Wu Kai Sha Public Pier and the archery range of Wu Kai Sha Youth Village is relatively narrow in terms of topography and covered with rubbles. Besides, no site of suitable area is available in the vicinity for the provision of ancillary beach facilities by the Government, such as lookout posts for lifeguards, first aid posts, lavatories and showers, and so on.

As for the area along Du Tou Village, it is a coastal conservation area covered by dense woodland. Moreover, on the higher end to the south of Du Tou Village, there is a beach, where prehistory monuments of ecological and archeological value have been found. According to the current heritage conservation measures, all new project items involving locations of archaeological value must undergo the Heritage Impact Assessment, and mitigation measures have to be carried out. If the STDC intends to develop the site mentioned by Mr Gary FAN earlier into a public bathing beach and designates the project as a priority item, I believe the LCSD will consider the aforesaid factors and factors in other aspects, and then discuss with the DC and local residents.

DR FERNANDO CHEUNG (in Cantonese): President, first of all, what a joke it is for the Secretary to say that there is no question of a list of elimination, for the 20-odd sites are potential reclamation sites. In relation to Mr James TIEN's question, if any sites have been identified as sites not to be considered, the Secretary should give a clear reply.

May I ask the Secretary whether he will expeditiously consider designating Wu Kai Sha Beach as a statutory beach? According to the Secretary's reply, the LCSD does not have a timetable at present, but local residents think unequivocally that Wu Kai Sha Beach should be designated as a statutory beach. Lung Mei is obviously not a beach, yet the Government decided to develop it into an artificial beach, raising much opposition from the public. Meanwhile, concerning the designation of Wu Kai Sha Beach as a statutory beach, the Government said that no timetable had been drawn up despite the aspiration of
the public. May I ask the Secretary to answer categorically whether he will proactively consider developing Wu Kai Sha Beach and Du To Village beach into gazetted statutory beaches.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as I said in my reply to Mr James TIEN earlier, the Stage 1 Public Engagement exercise mainly sought to consult the public on the criteria for site identification. During the course, the public considered the criteria put forth by the Government relatively abstract and suggested that more specific reclamation sites be presented as illustration to facilitate examination by the public. Therefore, in actuality, the 25 sites are not selected reclamation sites. In the first quarter of next year, we will announce the Stage 2 Public Engagement exercise, and the sites to be announced at that time will be the proposed reclamation sites for public consideration. As such, the 25 sites are not selected for reclamation purposes. This is the first point.

Second, about the policy on beaches, as I said earlier, the Home Affairs Bureau is the Policy Bureau in charge, whereas the LCSD is the responsible department. Mr James TIEN's question includes three parts, among which there are the issues in this respect, so I have obtained the relevant information for Members' reference.

Regarding the follow-up with STDC and Wu Kai Sha Beach mentioned by Dr Fernando CHEUNG, the Policy Bureau responsible is the Home Affairs Bureau.

DR FERNANDO CHEUNG (in Cantonese): The Secretary said earlier that those sites are not reclamation sites. Will he clarify whether it means the new sites to be announced soon will not be selected from among those 25 sites?

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, at the present stage, I cannot make such a clarification. However, as I said earlier, back then,
those 25 sites were put forth as illustration for the examination of the criteria for site identification. We will not put forth so many sites at Stage 2.

MR CHARLES PETER MOK (in Cantonese): President, the Secretary mentioned earlier the previous stage of public consultation on Enhancing Land Supply Strategy, and he said that a majority of the public supported the "six-pronged" approach of the land supply strategy. Among these six methods, certain methods, such as rezoning and reuse of ex-quarry sites, will have relatively smaller impact on the environment and the public. However, for the method of reclamation outside the Victoria Harbour, it is obvious that the impact on the environment will be greater, unless it is our objective to construct more sea-view luxury units, which is then a different issue.

During the next stage of consultation, will the Government set the priorities of these six methods, so that the public will not be misled by the ambiguous consultation and the Government will not be given any excuse to carry out unnecessary reclamations outside the Victoria Harbour in policy implementation in future?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, Members must understand that regarding the "six-pronged" approach, such as land exchange or urban renewal, the progress is greatly affected by the market situation. Therefore, from the stance of the Government, it is in a relatively passive position in obtaining accurate and comprehensive information on the progress.

As I said earlier, consideration must be given to the impact of reclamation on the environment, marine ecology and residents, and so on. However, Members should also understand that reclamation takes time. From the mooting of ideas at the initial stage to the implementation of the project, and till the formation of the reclaimed land, it will take at least 10 years. Therefore, reclamation indeed involves relatively long-term planning and work has to be commenced in advance. We cannot start working on this option only when land supply is considered inadequate after we have exhausted other options. Otherwise, it will be too late.
Moreover, as I said earlier, the objective of considering reclamation is to build up land reserves and absolutely not for the purpose of constructing sea-view luxury units. President, our consideration is not done in this manner.

**MR CHARLES PETER MOK** (in Cantonese): President, it seems that the Secretary has not answered whether the difference of the six methods will be set out and whether the information will be provided to the public in the course of consultation.

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

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, regarding the measures under the "six-pronged" approach, the Government has actually provided the information to Members some time ago. As far as I can recall, the total area of land, not including land obtained from reclamation, amounts to 2 500 hectares, and the details of the "six-pronged" approach were provided. At the next stage, when we announce the Stage 2 Public Engagement exercise to society and when we report to the Panel on Development of the Legislative Council, we will explain to Members the latest and overall strategy on land supply.

**DR ELIZABETH QUAT** (in Cantonese): President, in fact, the Democratic Alliance for the Betterment and Progress of Hong Kong has all along opposed the reclamation works at Wu Kai Sha Beach, and we hope that the site will be developed into a statutory beach expeditiously.

The Secretary said that a new batch of reclamation sites, as well as the criteria for identifying reclamation sites, would be announced. May I ask the Secretary whether these criteria include the results of the territory-wide study on the ecological value along the shoreline and the survey on marine ecology? For without such information, how would the authorities know whether reclamation could be carried out at a certain site without affecting its ecology in the course of site identification?
SECRETARY FOR DEVELOPMENT (in Cantonese): President, in identifying reclamation sites, we will conduct a territory-wide search. Therefore, we will reconsider in this course reclamation projects which feasibility studies had been conducted but shelved for various reasons. On the other hand, we will shy away from regions protected by the law, such as the Victoria Harbour, marine parks and marine reserve, for these are "out of bounds" zones.

DR KWOK KA-KI (in Cantonese): President, I think no one will object to the identification of more sites. However, during the previous consultation exercise, the Government did not furnish any information on the social environment and the cost-effectiveness of the 25 sites. May I ask the Secretary whether supplementary information will be provided to the public, setting out the social environment and cost-effectiveness of the 25 sites, including the cost of reclamation? For when the Government proposes the potential sites in the Stage 2 Public Engagement exercise to the public, it is impossible for the public to select the sites in the absence of such information. The public were not provided with any detailed figures right from the beginning. Will the Government undertake to provide adequate and detailed figures for reference by the public?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, thanks to Dr KWOK Ka-ki for his supplementary question. As far as I know, since the 25 sites put forth last time were only used as illustration, the CEDD has only conducted some general studies on the sites. For specific details, Members may make enquiries with the CEDD.

However, in the Stage 2 Public Engagement exercise, as I said earlier, we will announce the reclamation sites which we have considered and decided to propose for discussion. As such, the scope of studies on these sites will be more extensive and in-depth, and the relevant information will be announced altogether then.

IR DR LO WAI-KWOK (in Cantonese): President, the Secretary mentioned rock cavern development in his reply to the question, and he said that rock cavern development sites that warrant further consideration would be proposed in the
first quarter of next year. It is true that rock caverns can be used for the
provision of public facilities or as support for certain suitable economic
activities. The feasibility of this option is relatively higher, adding to this the
fact that Hong Kong has had some experience already.

May I ask the authorities whether objective and practical criteria have
been set for site identification studies on rock cavern development, with a view to
garnering support in society?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the answer is
in the affirmative. We will announce the details in the Stage 2 Public
Engagement exercise. During the Stage 1 Public Engagement exercise, we have
set out eight principles on site identification. According to the response of the
Stage 1 exercise, it is a desirable idea to move public facilities into rock caverns
and vacate the original sites for development purposes. However, in actuality,
the identification of suitable sites is not as easy as imagined, for not many rock
caverns may be available for use. However, when we make the announcement
in the first quarter of next year, we will explain it to Members at the same time.

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

WRITTEN ANSWERS TO QUESTIONS

Obstruction of Access to Public Facilities

7. DR PRISCILLA LEUNG (in Chinese): President, early last year, I
received complaints from residents of Whampoa Garden alleging that the ground
floor (G/F) access to a lift (lift no. 11) for use by persons with disabilities, which
was situated in Phase 7 of the housing estate, had been blocked with a metal gate
by a shop at that location. This situation had caused great inconvenience to the
elderly with mobility problems and persons with disabilities. In reply to me
regarding the complaints, the Buildings Department (BD) indicated that it had
written to the property owner concerned on 23 November 2011 to advise it to
rectify the aforesaid irregularities. As the situation had not improved, the BD
issued a statutory order on 9 January this year to the property owner ordering it to make rectifications within 60 days. During a visit to the aforesaid location made by me and the BD's officers in August, it was found that the property owner had not yet complied with the statutory order. In this connection, will the Government inform this Council:

(a) of the BD's procedures for handling complaints about unauthorized building works (UBW) received from members of the public; how the BD will follow up the situation of property owners failing to comply with statutory orders within the specified period; whether the authorities will institute prosecutions against and impose additional penalties on those property owners who have all along failed to comply with statutory orders; if so, of the details; if not, the reasons for that;

(b) given the BD's indication in its written reply to me on 10 January this year that "upon expiry of the deadline of the order, the BD will send its staff to conduct inspection again. If the property owner concerned still fails to comply with the requirements in the order, the BD will take further law-enforcement action by instituting prosecution against the property owner", but up to August the aforesaid property owner had still failed to rectify the irregularities, whether the authorities have instituted prosecution against it; if not, of the reasons for that; and

(c) of the latest development of the aforesaid case; whether it has assessed if the irregularities in the aforesaid case contravene the provisions in the Disability Discrimination Ordinance (Cap. 487); if the assessment outcome is in the affirmative, how the authorities will follow up the matter?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Buildings Ordinance (BO) aims to regulate the planning, design and construction of buildings and associated works on private land and, for this purpose, to prescribe building standards regarding safety, sanitation and the environment. Among the regulations under the BO, the Building (Planning) Regulations set out the design requirements for the provision of barrier-free access and facilities to meet the needs of persons with a disability.
My reply to the three-part question is as follows:

(a) Upon receipt of complaints concerning UBW from the public, the BD will deploy its staff to conduct site inspection and investigation, and then take appropriate enforcement actions in accordance with the prevailing enforcement policy against UBW. In the case of an actionable UBW, under normal circumstances, the BD will issue an advisory letter to the party concerned to require him to rectify the irregularity as soon as possible. If the irregularity is not rectified, the BD will, after obtaining relevant ownership information, issue an order to the owner under section 24(1) of the BO to require him to remove the UBW within a specified period, and register the order in the Land Registry. Generally, the BD will give the owner 60 days to comply with the order. If the owner encounters difficulty in complying with the order and applies for an extension of time, the BD will consider whether approval should be granted depending on the circumstances of individual cases. If the owner concerned fails, without reasonable excuse, to comply with the order upon expiry of the specified period or extended period, the BD will issue a warning letter to the owner. If the owner still fails to comply with the order as soon as possible, the BD will instigate prosecution. Under the BO, any person who, without reasonable excuse, fails to comply with an order served on him under section 24(1) shall be liable on conviction to a fine of $200,000 and to imprisonment for one year; and to a fine of $20,000 for each day during which it is proved to the satisfaction of the Court that the offence has continued.

(b) Regarding the case of Site 7 of Whampoa Garden as mentioned in the question, the BD promptly deployed its staff to conduct an inspection on 4 November 2011 upon receipt of a report on 1 November 2011. It was found that the doorway at the G/F lobby of Cargo Lift No. 11 had been blocked by a fixed timber panel. As shown on the approved plan, that lift was installed to be used by persons with a disability for transit between the G/F shopping arcade and the basement car park. As found during the inspection, apart from the enclosure works at the doorway on the G/F, the lift was also reprogrammed which rendered the G/F not accessible by the lift.
The enclosure works by the fixed timber panel had blocked the access for persons with a disability to the G/F. Such blockage was in contravention of the Building (Planning) Regulations which stipulate that buildings shall be designed to facilitate the access to and use of the buildings and their facilities by persons with a disability. On 23 November 2011, the BD issued an advisory letter to the party concerned. After that, the BD issued a removal order to the owner on 9 January 2012 under section 24(1) of the BO requiring the owner to commence the rectification works within 30 days, and to complete such works within 60 days, from the date of the order.

Upon expiry of the period specified in the order, the BD deployed its staff to conduct an inspection at the above premises on 12 March 2012. It was found that the unauthorized enclosure works by the fixed timber panel had been removed but a double-leaf door was erected at the doorway and locked. As assessed by staff of the BD at that time, the locked double-leaf door would still obstruct persons with a disability from using the G/F access leading to the lift. Therefore, the BD issued a warning letter to the owner on 14 March 2012, indicating that prosecution would be instigated for its failing to fully comply with the order. Subsequent inspection by staff of the BD also revealed that a roller shutter was installed at the side of the doorway facing the lift, obstructing the access for persons with a disability at the lift lobby.

Having issued the warning letter, the BD proceeded to seek legal advice on the prosecution case. According to the advice, the order in question had been complied with because the owner had removed the enclosure works by the fixed timber panel at the lift lobby as per the requirements of the removal order issued on 9 January 2012. The BD has therefore withdrawn the order. As regards whether locking the double-leaf door, installing the roller shutter and reprogramming the landing floors of the lift involved UBW, the BD is now taking further follow-up actions including seeking legal advice.

(c) According to the Labour and Welfare Bureau, the Equal Opportunities Commission (EOC), which enforces the Disability Discrimination Ordinance, has received a complaint about the case
and completed an investigation. Having considered the ownership of the concerned location, the right of tenants and public right of usage, the EOC found that the subject dispute on right of access did not involve unlawful disability discrimination.

Comprehensive Transport Studies

8. **MR FRANKIE YICK** (in Chinese): President, it has been 15 years since the Transport Department commissioned the Third Comprehensive Transport Study (CTS3) in August 1997. During this period, the population, the number of visitors to Hong Kong as well as the volume of cross-boundary passenger and traffic flows have grown significantly, and public demand for public transport service has also changed and increased following the development of new towns as well as the implementation of the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities. While the residents of some districts frequently complain about the inadequacy of public transport service, some public transport operators claim that they have incurred losses year after year due to insufficient patronage and are hence under pressure to increase fares. In this connection, will the Government inform this Council:

(a) of the implementation progress of the various recommendations made in the CTS3; whether any of the recommendations has not yet been implemented; if so, of the reasons for that; and

(b) given that the CTS3 has formulated a transport strategy up to 2016 only, whether the authorities will commence the Fourth Comprehensive Transport Study within this year or early next year to make forward planning for the development of the transport system in the 10-odd years thereafter, and to position various modes of public transport in a clearer and more specific way, so as to facilitate their healthy development; if they will, of the details of the study (including the commencement date, contents and methodology, when the study can be completed and when the transport sector and the public will be briefed on the outcome); if not, of the data or reasons based on which the authorities decide not to conduct such study at this stage, and under what circumstances the authorities will consider commencing the study?
SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the demand for transport services in Hong Kong is closely related to our socio-economic development. Population growth and community development, together with the expansion of the port and airport facilities as well as the increase in cross-boundary traffic, have resulted in an increasing traffic demand. The Government has conducted three comprehensive transport studies in the past. The last study was carried out in 1997 with the planning horizon extended to 2016. Based on the findings of this study, which was completed in 1999, the Government formulated in the same year the "Hong Kong Moving Ahead: A Transport Strategy for The Future" focusing on the following five transport strategies:

(i) Better integration of transport and land use planning;

(ii) Better use of railways as the backbone of our passenger transport system;

(iii) Better public transport services and facilities;

(iv) Better use of advanced technologies in transport management; and

(v) Better environmental protection.

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

(a) The various policy recommendations covered by the "Hong Kong Moving Ahead: A Transport Strategy for The Future" promulgated in 1999 have all been implemented. The details are at Annex.

(b) Upon the completion of the CTS3 in 1999, we built up a computerized transport model. Through continuous upkeep and updating, the model has been used to produce traffic demand forecast over the territory. This has enabled us to formulate transport strategy and to implement various road infrastructure projects timely. In 2005, the Transport Department commissioned the consultancy study "Restructuring and Enhancement of the Third Comprehensive Transport Study Model". The study, which was completed in 2008, updated the model with the latest planning data
and adopted an advanced modelling technique for evaluating and updating the traffic forecast up to 2021.

To further enhance the above transport model and take the latest population data into account, the Transport Department completed two territory-wide traffic surveys, namely, "Travel Characteristics Survey" and "Goods Vehicle Trips Characteristics Survey". The survey data are being analysed and the transport model will be further updated. The above assignment, which would enhance the accuracy of the traffic forecast up to 2031, is expected to be completed in 2014.

Regarding transport infrastructure, under the review mechanism of the public works programme, we conduct strategic assessments and update the forecasts of traffic demand by using the aforesaid transport model and the latest planning data in order to review the need, the scope and implementation timetable of the major highway projects every year.

Furthermore, we have been conducting thematic and regional transportation studies on a need basis, including the Study on Rationalizing the Utilization of Road Harbour Crossings; as well as the studies on impacts of new railway projects to other public transport services and the need for improving the co-ordination of different public transport modes before the commissioning of new railways.

On the other hand, the Government promulgated the "Railway Development Strategy 2000" in 2000, which formulated the development plan for Hong Kong's railway network up to 2016. We have been implementing the railway development projects proposed under the "Railway Development Strategy 2000". Out of these projects, the Kowloon Southern Link was commissioned in 2009; and five railway projects, that is, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section), West Island Line, South Island Line (East), Kwun Tong Line Extension and Shatin to Central Link, are being implemented in
full swing. These projects will be completed progressively between 2014 and 2020. By that time, a mass transport network with great accessibility will be formed and the rail services will cover a catchment area resided by over 70% of the population of the territory.

At the same time, in response to the latest development of the community, we are conducting the review and update of "Railway Development Strategy 2000" to update the long-term railway development blueprint of Hong Kong (up to 2031). The study will review those outstanding railway projects proposed in the "Railway Development Strategy 2000", as well as other railway schemes put forward by the Government or the public. The entire study is expected to be completed in mid-2013.

The Government is currently implementing a number of major road infrastructure projects, such as the Hong Kong-Zhuhai-Macao Bridge, the Tuen Mun-Chek Lap Kok Link, Central-Wan Chai Bypass, the connecting road serving the proposed Heung Yuen Wai Boundary Control Point. At the same time, projects like Central Kowloon Route and Tseung Kwan O — Lam Tin Tunnel are under planning. It is expected that with these projects, both the domestic and cross-boundary transportation needs in the next decade could be addressed.

In sum, we keep various transport strategies under review having regard to the latest data on planning and the proposed new development areas provided by the Planning Department. We also conduct thematic and regional transportation studies from time to time. We intend to consider the direction and appropriate timing for commissioning the fourth comprehensive transport study after completing the study on Review and Update of the "Railway Development Strategy 2000" and taking into account the status of implementation of various major infrastructure projects.
Annex

Implementation status of policy recommendations under the CTS3

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<td>(1) Integration of land use, transport and environmental planning</td>
<td>Regarding urban development and transport planning, we adopt an integrated approach by considering land use, transport and environment. Integrated planning of transport and urban development has been the Government's established policy, particularly for the planning of land use along railway lines. In general, we take railway stations as cores and site those facilities or developments with high traffic demand within walking distance or reach of short feeder services from the railway stations. This addresses the traffic demand and reduces road traffic.</td>
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<td>(2) According priority to railways</td>
<td>The Government adopts the policy of using railways as the backbone of the passenger transport system. Based on the findings of the Second Railway Development Study, the Government announced the Railway Development Strategy 2000 in May 2000 to plan for the further expansion of Hong Kong's railway network up to 2016. In 2011, railway patronage accounted for about 38% of the local public transport services. We are now taking forward five new railway projects (that is, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section), West Island Line, South Island Line (East), Kwun Tong Line Extension and Shatin to Central Link) for progressive completion between 2014 and 2020.</td>
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(A) To develop the concept that railway should form the backbone of the future passenger transport network, with development of rail stations to synchronize with land use development; and |

(B) To provide the railway corridor travel demand for further examination by the second railway development study. |
### Recommendations

(3) Co-ordination and enhancement of public transport services

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<td>With the railways forming the backbone of the passenger transport system, the Administration co-ordinates and oversees various public transport services to enhance the efficiency of the overall transport network, maintain reasonable fares, relieve traffic congestion and minimize environmental problems.</td>
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(A) To set up a network of high standard public transport interchanges (PTI);

Upon the completion of CTS3, the Administration has completed a number of PTI, such as Tsuen Wan West Station PTI, Ping Shek PTI and Hang Hau Station PTI. We will in the future make plans for PTIs at strategic railway stations.

(B) To develop a public transport passenger information system;

Besides the "Hong Kong eTransport", individual public transport operators also provide information about travelling by public transport modes through their websites and smartphone applications.

(C) To expand the existing fare collection integration schemes; and

The Octopus card, being one of the common payment systems, has been extended to cover major public transport modes (including MTR, franchised bus, public light bus, tram and ferry).

(D) To provide for park-and-ride and kiss-and-ride activities as far as practicable.

The Government will continue to promote the Park-and-Ride Scheme to encourage people residing in relatively remote areas to drive to railway stations for interchanging with railways for the onward trips to the urban areas. Such stations include those in the vicinity of the portals of harbour crossings, that is,
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<td>(4) Provision of transport infrastructure in a more timely fashion</td>
<td>Under the review mechanism of the public works programme, we conduct strategic assessments and update the forecasts of traffic demand by using the transport model and the latest planning data in order to review the need, the scope and implementation timetable of major highway projects every year.</td>
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<td>(A) To develop a review system to reassess the need, timing, scope and priorities of strategic highway projects before implementation, and, if confirmed, to ensure their timely implementation; and</td>
<td>Since 2000, we have completed successively major road projects, including Hong Kong-Shenzhen Western Corridor, Eagle's Nest Tunnel, Sha Tin Heights Tunnel and Stonecutters Bridge, to cope with the increasing local and cross-boundary traffic demand. The Central-Wan Chai Bypass now under construction will help improve the traffic condition along the north shore of Hong Kong Island and in the vicinity of the Cross Harbour Tunnel portal on the Hong Kong side. The works are expected to be completed in 2017. At the same time, we are carrying out construction of the Hong Kong-Zhuhai-Macao Bridge and taking forward the works at the associated road network, such as Tuen Mun to Chek Lap Kok Link.</td>
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<td>(B) To pursue early conduct of the feasibility, investigation and possibly preliminary design studies for the infrastructure projects recommended in CTS3.</td>
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<td>(5) Traffic management and application of new technologies</td>
<td>We have been closely monitoring the growth of the number of vehicles and taking appropriate measures, such as adjustment of the First Registration Tax in 2003 and 2011, to suppress the increasing trend.</td>
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<td>(A) To continue monitoring the growth in the vehicle fleet, and the resultant increase in highway traffic, and to act if economic growth picks up and problems start to manifest;</td>
<td>In response to the development of individual districts, we implement appropriate traffic management measures, such as parking control, restricted access of heavy vehicles and designated bus-only lanes, in order to relieve local traffic congestion.</td>
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<td>(B) To implement parking restraint selectively on individual merits; and</td>
<td>Tapping into the advancement of information technology, the Transport Department has launched various intelligent transport system applications, such as the Hong Kong eTransport, Driving Route Search Service and Road Traffic Information Service. Through Internet website services and smartphone applications, members of the public are provided with information about travelling by public transport modes, driving routes and real-time traffic conditions through Internet and mobile applications. Closed-circuit Televisions, Journey Time Indication System, Speed Map Panels as well as Traffic Control and Surveillance Systems are installed on major roads to inform the public of the road traffic conditions as earliest as possible.</td>
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<td>(C) To investigate the feasibility of various cost-effective intelligent transport system applications in Hong Kong.</td>
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### Recommendations | Implementation status
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The Transport Department is developing a Traffic and Incident Management System to enhance, through the use of advanced technology, the efficiency and effectiveness in managing traffic and transport incidents, and in disseminating traffic and transport information to the public.

(6) Planning for Pedestrians

(A) To strengthen existing planning guidelines to develop the concept of planning around pedestrians in new areas and redevelopments;

(B) To enhance the pedestrian mode in developed areas; and

In Hong Kong, there are now seven full-time and 31 part-time pedestrian schemes and over 40 traffic calming schemes, providing a safe environment for walking.

Also, we develop suitable pedestrian crossings to cater for the needs of the area concerned and local residents, including footbridge and subway networks, so as to provide the most favourable walking environment. To enhance pedestrian safety, promote walking as a transport mode and improve the overall walking environment, the Transport Department has implemented pedestrian improvement schemes in Causeway Bay, Mong Kok, Tsim Sha Tsui, Central, Wan Chai, Sham Shui Po, Jordan, Stanley, the Peak, North Point, Sheung Shui and Yuen Long. They are generally welcomed by the public.
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<tr>
<td>(C) To plan and provide cycleways in new towns and rural areas, where appropriate and possible.</td>
<td>If circumstances permit, we will provide cycle tracks and ancillary facilities so that the public may ride safely for leisure or travel. We are developing a 105 km long cycle track network in the New Territories, including the main section between Ma On Shan in the east and Yuen Long/Tuen Mun in the west via Sha Tin, Tai Po, Fan Ling and Sheung Shui, and the main section from Tsuen Wan to Tuen Mun.</td>
</tr>
<tr>
<td>(7) Environmental Improvement Measures</td>
<td></td>
</tr>
<tr>
<td>- To proceed with the following proposed improvement measures:</td>
<td>Starting from June 2012, the Government has required all newly registered vehicles to comply with the Euro V emission standard.</td>
</tr>
<tr>
<td>(A) Improvement of vehicle emission standards to Euro III;</td>
<td>The revised emission standard for a tighter control over diesel vehicles has become effective from 1 May 2008, with the previous 60 Hartridge Smoke Units (HSU) tightening to 50 HSU. The statutory requirement for mandatory use of Euro V diesel has taken effect from 1 July 2010.</td>
</tr>
<tr>
<td>(B) Use of Liquefied Petroleum Gas (LPG) for taxis; and</td>
<td>At present, almost all taxis and 66% public light buses are fuelled by LPG. There are total 61 LPG filling stations in various districts.</td>
</tr>
<tr>
<td></td>
<td>Since the provision of a one-off grant to incentivize taxi owners to replace their diesel vehicles with LPG ones, there</td>
</tr>
</tbody>
</table>
### Recommendations

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Implementation status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C) Improvement of emission standards for new motorcycles.</td>
<td>Starting from January 2007, all newly registered motorcycles are subject to tighter control under Euro III emission standard.</td>
</tr>
<tr>
<td>- To consider other possible improvement measures for further feasibility study, including:</td>
<td></td>
</tr>
<tr>
<td>(A) Expanded river trade terminal operation;</td>
<td>The Administration has taken the recommendation into consideration but is of the view that the expansion of river trade terminal operation is not necessary for the time being, given that the river trade terminal can generally meet the demand. Notwithstanding, the situation will be monitored and reviewed from time to time.</td>
</tr>
<tr>
<td>(B) Freight rail;</td>
<td>The Government has taken the recommendation into consideration but is of the view that further development of the Port Rail Line is not suitable given the continuous decrease in rail freight volume. The Mass Transit Railway Corporation Limited ceased the rail freight service in 2010.</td>
</tr>
<tr>
<td>(C) Alternative fuels;</td>
<td>Many types of vehicles, such as environment-friendly petrol cars, electric cars, LPG taxis and public light buses, have switched to alternative fuels. The Government will also fund the trial use of hybrid and electric buses by franchised bus companies.</td>
</tr>
</tbody>
</table>
Also, the Government promotes the switch from diesel to LPG or electricity and implements the following measures:

(i) replacing diesel taxis with LPG ones;

(ii) providing LPG filling stations;

(iii) launching LPG/electric light bus subsidy schemes; and

(iv) replacing pre-Euro, Euro I and Euro II diesel commercial vehicles.

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Implementation status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D) Tailpipe emission reduction measures;</td>
<td>Emission reduction measures already in place include:</td>
</tr>
<tr>
<td></td>
<td>(i) subsidizing taxi and light bus owners to replace their diesel vehicles with LPG ones, and requiring by law in 2001 that all newly registered taxis shall use LPG or petrol. At present, almost all taxis, 66% public light buses and 24% private light buses are fuelled by LPG;</td>
</tr>
<tr>
<td></td>
<td>(ii) subsidizing pre-Euro diesel commercial vehicles to be retrofitted with particulate reduction devices, and requiring by law in 2003 that the installation of such devices shall be one of the pre-requisites for licence renewal;</td>
</tr>
<tr>
<td></td>
<td>(iii) providing in 2007 and 2010 one-off grants to incentivize pre-Euro, Euro I and Euro II diesel commercial vehicle</td>
</tr>
<tr>
<td>Recommendations</td>
<td>Implementation status</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td></td>
<td>owners to replace their vehicles with new ones which comply with the prevailing emission standards for first registration;</td>
</tr>
<tr>
<td>(iv)</td>
<td>implementing the most stringent standards for motor fuel and vehicle emission as far as practicable. The latest measures are:</td>
</tr>
<tr>
<td></td>
<td>- Euro V standards for motor diesel and unleaded petrol have been in force since July 2010;</td>
</tr>
<tr>
<td></td>
<td>- starting from June 2012, newly registered vehicles have to comply with the Euro V vehicle emission standard;</td>
</tr>
<tr>
<td>(v)</td>
<td>launching tax incentive schemes in 2007 and 2008 for environmentally-friendly petrol private cars and commercial vehicles seeking first registration to encourage the use of greener vehicles;</td>
</tr>
<tr>
<td>(vi)</td>
<td>setting up the $300 million Pilot Green Transport Fund in March 2011 to encourage the trade to introduce greener and more innovative transport technologies, and to use low-emission and energy-efficient transport;</td>
</tr>
<tr>
<td>(vii)</td>
<td>conducting a trial with franchised bus companies on retrofitting Euro II and III franchised buses</td>
</tr>
<tr>
<td>Recommendations</td>
<td>Implementation status</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>(E) More stringent noise emission standards;</td>
<td>Standards were revised in 2002 to tighten the control on vehicle noise emission.</td>
</tr>
<tr>
<td>(F) Engine encapsulation;</td>
<td>Studies indicate that engine encapsulation is not very effective in reducing vehicle noise. Improvement will be sought subject to future technological advancement.</td>
</tr>
<tr>
<td>(G) Low noise road surface;</td>
<td>The Administration has paved 59 local road sections with low noise surfacing materials.</td>
</tr>
<tr>
<td>(H) Retrofitting existing roads (for example, noise barriers); and</td>
<td>The Administration has decided to install noise barriers at 17 road sections, with eight of them completed.</td>
</tr>
<tr>
<td>(I) Alternative vehicle types such as fuel-efficient vehicles.</td>
<td>As mentioned above, other vehicle types such as environment-friendly petrol taxis and electric cars are successively introduced. The Government will fund the trial use of hybrid buses and electric buses by franchised bus companies.</td>
</tr>
</tbody>
</table>
Statistics on Occupational Injuries and Deaths

9. MR POON SIU-PING (in Chinese): President, will the Government inform this Council of:

(a) the numbers of occupational injuries and deaths since January this year, and their respective breakdowns by industry; and

(b) the annual number of prosecutions instituted by the authorities against employers under the Occupational Safety and Health Ordinance (Cap. 509), the Factories and Industrial Undertakings Ordinance (Cap. 59) and the relevant subsidiary legislation since 2010, with a breakdown by the charges laid, the numbers of injuries and deaths involved and the Court judgments; the general and the maximum penalties imposed on employers for various offences by the Court?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to Mr POON Siu-ping's question is set out below:

(a) The number of industrial injury and fatal cases in the first half of 2012, and the respective breakdowns by industry are as follows:

<table>
<thead>
<tr>
<th>Industrial Accidents</th>
<th>Industry Section</th>
<th>Number of injured persons</th>
<th>Number of deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Construction</td>
<td>1 463</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>972</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Food and Beverage Services</td>
<td>3 063</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>640</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6 138</td>
<td>7</td>
</tr>
</tbody>
</table>

Note:

Industrial accident statistics are released on a quarterly basis and the latest available statistics are up to the first half of 2012. The industrial accident statistics for the first three quarters of 2012 will be released in January 2013.
As at 14 November 2012, the provisional number of industrial fatal cases was 23, including 21 cases in the construction industry, one case in the food and beverage services and one case in other industries.

(b) In 2010 and 2011, the number of prosecutions brought against employers, contractors and proprietors, and so on, under the Occupational Safety and Health Ordinance and the Factories and Industrial Undertakings Ordinance and their subsidiary regulations and the sentences of the Court are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of summonses heard</td>
<td>1 787</td>
<td>1 703</td>
</tr>
<tr>
<td>Total number of summonses convicted</td>
<td>1 528</td>
<td>1 447</td>
</tr>
</tbody>
</table>

The average fine and the highest fine for the common categories of offences are as follows:

<table>
<thead>
<tr>
<th>Offence</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to provide and maintain safe plant and system of work (Maximum statutory fine: $500,000)</td>
<td>$14,920</td>
<td>$120,000</td>
</tr>
<tr>
<td></td>
<td>$14,368</td>
<td>$50,000</td>
</tr>
<tr>
<td>Failure to take adequate steps to prevent person from falling from a height (Maximum statutory fine: $200,000)</td>
<td>$14,387</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>$14,230</td>
<td>$56,000</td>
</tr>
</tbody>
</table>

Handling of Torture Claims

10. **MR DENNIS KWOK**: President, since December 2009, the Government has implemented an "enhanced screening mechanism", which is a non-statutory and administrative scheme (hereinafter referred as "the Current Mechanism"),
for handling torture claims made under Article 3 of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (Convention). Even though the claimants have access to legal representation under the Current Mechanism, there has not been one successful claim so far. The Immigration (Amendment) Ordinance 2012 (Amendment Ordinance), which provides for a statutory process for making and determining claims, will come into operation on 3 December 2012. In this connection, will the Government inform this Council:

(a) given that there has not been a successful claim under the Current Mechanism so far, whether it has reviewed the effectiveness of the assessment criteria under the Current Mechanism in identifying persons in danger of being subjected to torture and protecting them from torture in accordance with the Convention; if it has, of the outcome and details of the review; if not, the reasons for that; and

(b) whether the assessment criteria to be employed to weigh the relevant considerations as set out in the Amendment Ordinance are different from those employed under the Current Mechanism; if not, of the reasons for that; if so, what the differences are, whether it has assessed if the number of successful claims will increase upon the commencement of the Amendment Ordinance, and how it will monitor the new assessment criteria's effectiveness in identifying persons in danger of being subjected to torture and protecting them from torture in accordance with the Convention?

SECRETARY FOR SECURITY: President, the United Nations Convention has been applied to Hong Kong since 1992. Under Article 3 of the Convention, a person should not be expelled, returned or extradited to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture. Torture claims made under the Convention in Hong Kong are handled by the Immigration Department (ImmD).

Since December 2009, the ImmD, following consultation with the legal profession and drawing reference to similar mechanisms in major common law jurisdictions, has introduced an enhanced screening mechanism for torture claims (enhanced mechanism) to ensure that screening procedures would meet the "high
standards of fairness" as required by the Court. Enhancements introduced include the provision of publicly-funded legal assistance to claimants, new petition procedures involving adjudicators with legal background determining petitions with oral hearings where fairness so requires, and enhanced training for immigration officers and adjudicators responsible for making decisions on claims and petitions respectively.

Publicly-funded legal assistance through the Duty Lawyer Service is available to each claimant upon application. At present, over 260 barristers and solicitors, who have received training on handling torture claims, are on a roster to provide legal assistance to claimants throughout the entire screening process.

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

(a) Under the current enhanced mechanism, as required by "high standards of fairness", claimants are given every reasonable opportunity to establish their claims, including submitting detailed grounds through a questionnaire with supporting documents or evidence; attending a screening interview with immigration officers to further provide information or answer questions; and making further representations to adjudicators, who are all former Judges or magistrates, at petitions.

In determining whether there are substantial grounds for believing that a torture risk exists, the responsible immigration officer (and adjudicator on petitions) must consider the individual circumstances of each claim and take into account all relevant considerations. In this regard, all information provided by the claimant, including the grounds for the claim and any further submissions with supporting documentary evidence, together with other objective information, such as country of origin information, will all be considered as required by "high standards of fairness". Reference will also be drawn to relevant case law, as well as other relevant materials applicable to the individual claim, including the United Nations Committee against Torture's General Comments on the implementation of the Convention and decisions on individual cases.
Following Article 3 of the Convention, if the claimant can establish that there are substantial grounds for believing that there is a foreseeable, real and personal risk of him being subjected to torture in the torture risk country, the claim will be accepted as substantiated.

Each decision on a claim must be made individually, taking into account all relevant considerations including personal circumstances provided by the claimant. Whether a torture claim may be established by the claimant is a matter which depends entirely on the particular circumstances of a case. It is not apparent that there should be any correlation between the number of substantiated claims and the standard of fairness or effectiveness of the screening procedures.

(b) The Amendment Ordinance, enacted in July 2012, will come into operation in December 2012. It provides for a statutory framework to underpin the current enhanced mechanism for determining torture claims, which includes the establishment of the Torture Claims Appeal Board (the Appeal Board) to hear appeals against refusal decisions on claims.

Under the statutory mechanism, after a claimant has submitted the grounds of the claim and supporting facts in a torture claim form, the responsible immigration officer must arrange a screening interview for the claimant to further provide information and answer questions relating to the claim. Decisions on torture claims must be given to claimants in the written form and with reasons for the decisions. Claimants aggrieved by such decisions have a right to lodge an appeal to the Appeal Board, which may decide to hold an oral hearing if it considers that the appeal cannot be justly determined otherwise.

The amended Ordinance provides that, among other things, a torture claim must be accepted as substantiated if there are substantial grounds for believing that the claimant would be in danger of being subjected to torture if removed or surrendered to a torture risk
country, and all relevant considerations are to be taken into account in determining a torture claim.

Immigration officers responsible for assessing torture claims and the Appeal Board will continue to consider each claim on its own merits by taking into account all relevant considerations, including those set out in part (a) above, in accordance with the requirement of "high standards of fairness" as laid down by the Court and relevant provisions under the amended Ordinance.

Implementation of Qualifications Framework

11. **MR KWOK WAI-KEUNG** (in Chinese): President, to tie in with the Qualifications Framework (QF) implemented in 2008, the authorities concurrently implemented a five-year Recognition of Prior Learning (RPL) mechanism. Under the RPL mechanism, employees may obtain a Statement of Attainment at Levels 1 to 3 without the need to undergo any assessment simply by producing proofs of years of service and relevant experience verified by an assessment agency. Regarding QF and the RPL mechanism, will the Government inform this Council, as at October this year:

(a) of the measures implemented by the authorities to promote employees' applications for RPL;

(b) of the total number of industries which have set up their Industry Training Advisory Committees (ITACs), the respective numbers of people employed in these industries and the respective percentages of these numbers in the total workforce in Hong Kong, and which of these ITACs have completed the task of drawing up their Specifications of Competency Standards;

(c) of the accumulated numbers of QF-related training courses that have been offered in the market, with a breakdown by industry and the level of qualification attained, and the respective percentages of these numbers in the total number of courses offered; and list the numbers and the percentages of people who have completed the
courses, with a breakdown by industry and the level of qualification attained;

(d) of the number of industries which have put in place the RPL mechanism; the respective numbers of employees from these industries who have obtained qualification recognition through the RPL mechanism, with a breakdown by the level of qualification attained; and

(e) as the five-year transitional period of the RPL mechanism for the three industries of Printing and Publishing, Watch and Clock, and Hairdressing will expire in May 2013, whether it will consider extending the transitional period; if not, of the reasons for that?

SECRETARY FOR EDUCATION (in Chinese): President, the Government launched the QF in 2008 to promote lifelong learning and enhance the overall quality of our workforce. The Hong Kong QF is a seven-level hierarchy ranging from the most fundamental Level 1 to the highest Level 7, covering qualifications in the academic, vocational as well as continuing education and training sectors. Under QF, there is a RPL mechanism to enable practitioners of various backgrounds to obtain formal recognition of the knowledge, skills and experience that they have acquired. This mechanism facilitates practitioners with learning aspirations in identifying the competencies they have acquired through experience or previous training in the industries, so that they can determine their starting point for learning and progression, and reduce duplication in training for the same skills. To ensure its credibility, the RPL mechanism is developed based on the Specification of Competency Standards (SCSs) formulated by individual industries.

Under the RPL mechanism, there is a five-year transitional period for each participating industry during which practitioners may apply for recognition of qualifications at QF Levels 1 to 3 by producing documentary proofs of their years of relevant working experience, without the need to take any formal assessment tests. After the expiry of the transitional period, practitioners seeking recognition of qualifications at QF Levels 1 to 4 are all subject to assessment. This is to enhance the credibility and acceptance of qualifications recognized under the RPL mechanism.
My reply to the various parts of the question is as follows:

(a) Since the implementation of QF in 2008, the Government has been striving to assist industries in implementing the RPL mechanism, and has rolled out a number of measures to encourage and facilitate the participation of practitioners. These measures include:

(i) introducing a five-year transitional period as mentioned above for each participating industry under the RPL mechanism in order to encourage greater participation of those practitioners who have worked their way up from the junior positions, and provide sufficient time for practitioners to adapt to and accept the mechanism;

(ii) collaborating with the RPL Assessment Agency and the industries in organizing briefings and promotion for stakeholders and providing them with details on the background, application procedures and assessment arrangements of the RPL mechanism as well as relevant financial assistance available, so as to enhance the practitioners' understanding of the relevant information and the benefits of the RPL mechanism;

(iii) enhancing the acceptance of the RPL mechanism by encouraging employers, professional bodies, as well as education and training providers to recognize qualifications acquired under the mechanism so as to assist practitioners in pursuing continuous learning;

(iv) encouraging education and training providers to design and offer relevant articulation programmes in the light of the needs of practitioners, thereby assisting them in developing their careers; and

(v) enhancing the Qualifications Framework Support Schemes in August 2011 by introducing a two-stage mechanism for the reimbursement of RPL assessment fees to the practitioners. Under this two-stage mechanism, practitioners who have successfully completed RPL assessments may immediately
apply for reimbursement of 75% of the assessment fees, while the remaining 25% may be reimbursed upon completion of any QF-recognized programmes (previously, practitioners who had successfully completed RPL assessments would only receive full reimbursement of the assessment fees upon completion of any QF-recognized programmes). The reimbursement ceiling for each practitioner has also been raised from $1,000 to $3,500.

(b) Currently, a total of 18 industries have set up their ITACs under the QF, covering around 45% of the overall workforce of Hong Kong. Twelve ITACs have drawn up their SCSs, whilst the drafting work of the remaining six ITACs is in progress and is expected to be completed by 2013 and 2014. Details are set out at Annex A.

(c) As at October 2012, there were nearly 12,000 QF-recognized qualifications and their associated education and training programmes (including those still within their Registration Validity Period (RVP) and those with their RVPs expired), categorized by Primary Areas of Study/Training, listed on the Qualifications Register (QR). The number of qualifications under each Primary Area of Study/Training and at each QF Level, as well as the percentages in the total number of qualifications, are set out at Annex B. We do not have information on the number of people who have completed these programmes.

(d) Currently, the RPL mechanism is implemented in seven industries. Through the mechanism, almost 5,000 employees have been awarded statements of attainment, about 10,000 of which are at QF Levels 1 to 4. A breakdown of the number of practitioners and statements of attainment by industry and QF Level is at Annex C.

(e) Printing and Publishing, Watch and Clock and Hairdressing were the three pilot industries for implementing the RPL mechanism in 2008. Since the five-year transitional period under the RPL mechanism for these three industries will expire in May 2013, we are working out the post-transitional arrangements with the respective ITACs, and will consult the stakeholders of the relevant industries.
Eighteen industries with ITACs: Approximate number of employees, their respective percentages in the overall workforce of Hong Kong and drafting of the SCS

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of employees</th>
<th>Percentage in the overall workforce of Hong Kong</th>
<th>Drawn up at least one set of SCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Publishing</td>
<td>31 000</td>
<td>0.83%</td>
<td>✓</td>
</tr>
<tr>
<td>Watch and Clock</td>
<td>18 000</td>
<td>0.48%</td>
<td>✓</td>
</tr>
<tr>
<td>Chinese Catering</td>
<td>180 000</td>
<td>4.84%</td>
<td>✓</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>26 000</td>
<td>0.70%</td>
<td>✓</td>
</tr>
<tr>
<td>Property Management</td>
<td>90 000</td>
<td>2.42%</td>
<td>✓</td>
</tr>
<tr>
<td>Electrical and Mechanical Services</td>
<td>59 000</td>
<td>1.59%</td>
<td>✓</td>
</tr>
<tr>
<td>Jewellery</td>
<td>13 000</td>
<td>0.35%</td>
<td>✓</td>
</tr>
<tr>
<td>Information and Communications Technology</td>
<td>67 000</td>
<td>1.80%</td>
<td>✓</td>
</tr>
<tr>
<td>Automotive</td>
<td>21 000</td>
<td>0.56%</td>
<td>✓</td>
</tr>
<tr>
<td>Beauty</td>
<td>26 000</td>
<td>0.70%</td>
<td>✓</td>
</tr>
<tr>
<td>Logistics</td>
<td>220 000</td>
<td>5.91%</td>
<td>✓</td>
</tr>
<tr>
<td>Banking</td>
<td>67 000</td>
<td>1.80%</td>
<td>✓</td>
</tr>
<tr>
<td>Import and Export</td>
<td>510 000</td>
<td>13.71%</td>
<td>-</td>
</tr>
<tr>
<td>Testing, Inspection and Certification</td>
<td>15 000</td>
<td>0.40%</td>
<td>-</td>
</tr>
<tr>
<td>Retail</td>
<td>250 000</td>
<td>6.72%</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>50 600</td>
<td>1.36%</td>
<td>-</td>
</tr>
<tr>
<td>Manufacturing Technology (Tooling, Metals and Plastics)</td>
<td>38 000</td>
<td>1.02%</td>
<td>-</td>
</tr>
<tr>
<td>Elderly Care Service</td>
<td>26 000</td>
<td>0.69%</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>About 1 707 600</td>
<td>About 45%</td>
<td>-</td>
</tr>
</tbody>
</table>
Cumulative number of qualifications in the QR (as at October 2012)

<table>
<thead>
<tr>
<th>Primary Area of Study/Training</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
<th>Level 6</th>
<th>Level 7</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Architecture, Construction and Town Planning</td>
<td>-</td>
<td>8</td>
<td>20</td>
<td>42</td>
<td>30</td>
<td>42</td>
<td>4</td>
<td>146</td>
<td>1.2%</td>
</tr>
<tr>
<td>2 Arts, Humanities, and Liberal Studies and General Studies</td>
<td>-</td>
<td>13</td>
<td>41</td>
<td>19</td>
<td>47</td>
<td>57</td>
<td>25</td>
<td>202</td>
<td>1.7%</td>
</tr>
<tr>
<td>3 Beauty, Hairdressing and Related Studies, Home Economics, Personal Care</td>
<td>500</td>
<td>658</td>
<td>267</td>
<td>34</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1 460</td>
<td>12.2%</td>
</tr>
<tr>
<td>4 Biological, Physical and Mathematical Sciences</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>54</td>
<td>133</td>
<td>71</td>
<td>28</td>
<td>298</td>
<td>2.5%</td>
</tr>
<tr>
<td>5 Business and Management (General)</td>
<td>58</td>
<td>141</td>
<td>179</td>
<td>184</td>
<td>140</td>
<td>77</td>
<td>22</td>
<td>801</td>
<td>6.7%</td>
</tr>
<tr>
<td>6 Business and Management in Specific Industries</td>
<td>462</td>
<td>412</td>
<td>124</td>
<td>76</td>
<td>20</td>
<td>15</td>
<td>-</td>
<td>1 109</td>
<td>9.2%</td>
</tr>
<tr>
<td>7 Business, Global and China</td>
<td>-</td>
<td>1</td>
<td>14</td>
<td>20</td>
<td>14</td>
<td>7</td>
<td>-</td>
<td>56</td>
<td>0.5%</td>
</tr>
<tr>
<td>8 Computing and Information Technology</td>
<td>403</td>
<td>156</td>
<td>112</td>
<td>113</td>
<td>51</td>
<td>31</td>
<td>2</td>
<td>868</td>
<td>7.2%</td>
</tr>
<tr>
<td>9 Economics, Accountancy, Finance and Investment</td>
<td>20</td>
<td>156</td>
<td>96</td>
<td>108</td>
<td>75</td>
<td>56</td>
<td>7</td>
<td>518</td>
<td>4.3%</td>
</tr>
<tr>
<td>10 Education, Teacher Training and Sports Science</td>
<td>11</td>
<td>114</td>
<td>28</td>
<td>55</td>
<td>93</td>
<td>125</td>
<td>10</td>
<td>436</td>
<td>3.6%</td>
</tr>
<tr>
<td>11 Engineering and Technology</td>
<td>81</td>
<td>338</td>
<td>138</td>
<td>148</td>
<td>186</td>
<td>128</td>
<td>25</td>
<td>1 044</td>
<td>8.7%</td>
</tr>
<tr>
<td>12 Fine Arts, Performing Arts, Design and Creative Media Art and Industry</td>
<td>41</td>
<td>96</td>
<td>194</td>
<td>256</td>
<td>67</td>
<td>42</td>
<td>5</td>
<td>701</td>
<td>5.8%</td>
</tr>
<tr>
<td>13 Languages, Translation and Literature</td>
<td>502</td>
<td>205</td>
<td>141</td>
<td>61</td>
<td>73</td>
<td>63</td>
<td>9</td>
<td>1 054</td>
<td>8.8%</td>
</tr>
<tr>
<td>14 Law and Legal Studies</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>45</td>
<td>6</td>
<td>75</td>
<td>0.6%</td>
</tr>
<tr>
<td>15 Mass Media and Communications, Journalism and Public Relations</td>
<td>8</td>
<td>40</td>
<td>30</td>
<td>35</td>
<td>30</td>
<td>21</td>
<td>2</td>
<td>166</td>
<td>1.4%</td>
</tr>
<tr>
<td>16 Medicine, Dentistry and Health Sciences</td>
<td>31</td>
<td>370</td>
<td>110</td>
<td>80</td>
<td>62</td>
<td>168</td>
<td>55</td>
<td>876</td>
<td>7.3%</td>
</tr>
<tr>
<td>17 Other Technical Studies and Training</td>
<td>88</td>
<td>241</td>
<td>117</td>
<td>41</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>487</td>
<td>4.1%</td>
</tr>
<tr>
<td>18 Recreation, Leisure, Tourism and Hospitality</td>
<td>194</td>
<td>479</td>
<td>181</td>
<td>93</td>
<td>14</td>
<td>7</td>
<td>1</td>
<td>969</td>
<td>8.1%</td>
</tr>
<tr>
<td>19 Security and Disciplinary Forces Studies</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>-</td>
<td>41</td>
<td>0.3%</td>
</tr>
<tr>
<td>20 Social Sciences</td>
<td>-</td>
<td>55</td>
<td>33</td>
<td>97</td>
<td>95</td>
<td>88</td>
<td>24</td>
<td>392</td>
<td>3.3%</td>
</tr>
<tr>
<td>21 Transports and Logistics</td>
<td>46</td>
<td>80</td>
<td>80</td>
<td>63</td>
<td>16</td>
<td>7</td>
<td>-</td>
<td>292</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total</td>
<td>2 446</td>
<td>3 570</td>
<td>1 944</td>
<td>1 590</td>
<td>1 158</td>
<td>1 058</td>
<td>225</td>
<td>11 991</td>
<td>100%</td>
</tr>
</tbody>
</table>
Annex C

Number of employees and statements of attainment awarded under the RPL mechanism

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of employees</th>
<th>Number of statements of attainment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>707</td>
<td>23</td>
</tr>
<tr>
<td>Printing and Publishing</td>
<td>697</td>
<td>22</td>
</tr>
<tr>
<td>Watch and Clock</td>
<td>201</td>
<td>4</td>
</tr>
<tr>
<td>Property Management</td>
<td>3 185</td>
<td>118</td>
</tr>
<tr>
<td>Automotive</td>
<td>77</td>
<td>2</td>
</tr>
<tr>
<td>Jewellery</td>
<td>70</td>
<td>2</td>
</tr>
<tr>
<td>Logistics</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>4 964</td>
<td>171</td>
</tr>
</tbody>
</table>

Measures to Prevent Leakage of Personal Data

12. **DR ELIZABETH QUAT** (in Chinese): President, recently, several incidents involving police officers which might lead to leakage of personal data of members of the public have occurred, including the loss of police notebooks and memory sticks by police officers, as well as some police's confidential documents being found on the Internet due to the use of peer-to-peer sharing software by police officers. In response to such incidents, the police have set up a working group led by the Deputy Commissioner of Police to explore improvement initiatives and adopt various measures to prevent recurrence of these incidents. In this connection, will the Government inform this Council:

(a) whether the working group will comprehensively review if the existing measures adopted by the police for protecting the privacy of members of the public are adequate; if it will, whether a detailed review report will be submitted to this Council; if it will not conduct such a review, of the reasons for that;

(b) of the membership list of the working group, and whether representatives from the relevant sectors (for example, the information technology sector) and Office of the Privacy Commissioner for Personal Data (PCPD) are included; and
whether short, medium and long-term measures are included in the improvement initiatives being explored by the working group, so as to ensure that short and medium term measures will be put in place to enhance the protection of personal data of members of the public before the completion of the study and the implementation of long-term measures; if not, of the reasons for that?

SECRETARY FOR SECURITY (in Chinese): President, the Hong Kong Police Force attach great importance to information security and data protection. The FOXY Incident Working Group, set up in 2008, which was subsequently renamed as the Information Security Working Group (the Working Group), is a high-level internal working group led by the Deputy Commissioner of Police (Operations) to holistically scrutinize information security within the Force, including measures and procedures for safeguarding personal data and confidential information. The Working Group also ensures that information security is maintained at the highest level by drawing up a series of integrated measures in areas like policies and procedures, security measures, promotion and education, and so on, to enhance security.

The police are very concerned about several recent incidents in which there was leakage of personal data due to loss of police documents. In addition to reviewing relevant policies, procedures and guidelines, the police will continue to adopt various measures to ensure that their systems and procedures are maintained at the highest information security level. Training of officers will also be enhanced to ensure that the policies and measures in place can cope with the challenges resulting from the rapid development of information technology.

My reply to the Member's question is as follows:

(a) and (b)

As mentioned above, the Working Group is responsible for holistically scrutinizing information security within the Force and drawing up measures to ensure that the highest level of information security is maintained. Led by the Deputy Commissioner of Police (Operations), the Working Group is composed of 12 members, including representatives from operations, crime and security,
management, training, information systems and public relations at Force management level.

Meeting at regular intervals, the Working Group closely monitors the latest environment and trends of information security within the Force. It also keeps the effectiveness of various security measures under review, taking into account the challenges resulting from the rapid development of information technology. Details of such specific measures are in part (c) of the reply.

The police will notify the Office of the PCPD of any incidents involving personal data leakage, and will make every effort to provide assistance to and co-operate with the PCPD on its investigation of several recent incidents of personal data leakage due to loss of police documents. Furthermore, the police will maintain close liaison with the PCPD in the implementation of information security and data protection work.

(c) Since its establishment, the Working Group has formulated and subsequently implemented a series of comprehensive security measures covering short, medium and long-term integrated plans, which include:

(i) Policies and Measures

- The police's policies on information security and personal data protection are set out in the Police General Orders, Force Procedures Manual and Force Information Security Manual. The police review and update their policies, procedures and guidelines in a timely manner. Officers who fail to comply with these policies, procedures and guidelines may be taken as contravening police order and subject to disciplinary actions. From 2010 to October 2012, a total of three police officers were disciplined as a result.

- The Behavioural Guidelines for the Force Values of Integrity and Honesty, issued in 2009, stipulated that
police officers shall, among other things, "protect personal data and classified information".

- As a long-term solution to enhance information security, the Force plans to enhance its IT infrastructure by the "virtual workstation" project. Virtualization technology refers to a server computing model under which virtual workstations running on a remote central server will replace personal computers, and all of the programs, applications, processes and data used are kept and run centrally on the server ends. Information security will be enhanced as all data will be processed and stored in the central server, and no data will be transferred to or can be downloaded from the front-line terminals. The Force has obtained funding approval from the Legislative Council. Pilot run of virtual workstation will be implemented in Kowloon West Region which is expected to be rolled out in 2014.

(ii) Technology Support and Assistance

- Upon completion of a Forcewide common terminal "sanitisation exercise" in 2008, regular checking of all computer systems of the Force is conducted on an annual basis to ensure that the standards for information security are met.

- Encrypted USB thumb drives are provided to officers for storage of restricted information. E-cert encrypted USB thumb drives are also distributed to officers of Inspector or above ranks for processing and transmission of confidential information.

- All USB ports on all Force computers are "whitelisted" to ensure that only registered USB devices can be used on Force computers.
- All Force computers are installed with CD burning restriction and encryption function to enhance end-point security.

(iii) Publicity and Training

- Regular training and briefing sessions are organized to let officers keep abreast of the latest development of information technology and draw reference to experiences of best practices.

- An interactive electronic learning package on information security was produced in April 2012 for front-line and supervisory officers.

- A fresh round of "Information Security and Data Protection" training was rolled out in August 2012 to enhance officers' knowledge of and accountability for the Personal Data (Privacy) Ordinance (the Ordinance), information security and personal data protection.

- In view of the popular use of social media, the Force issued an individual user guideline in January 2012 to remind officers of risk management issues in information security.

- Topics on personal data privacy and information security are included in the basic training courses for recruited police constables and probationary inspectors and the promotion course for junior managers, with an aim to augment officers' awareness of the importance of information security and to make clear for them the roles they play in this area.

- In the light of the latest amendments to the Ordinance, briefing sessions will be conducted in November 2012 to enhance officers' knowledge of the updated legislation.
Opportunities for Further Studies for Secondary School Graduates in 2012

13. **MR IP KIN-YUEN** (in Chinese): President, there were both students graduating under the new and the old academic structures for senior secondary education in 2012. Among the day school candidates for the first Hong Kong Diploma of Secondary Education Examination (HKDSEE) and the Hong Kong Advanced Level Examination (HKALE), 26,431 and 18,212 of them respectively attained results meeting the general entrance requirements for publicly-funded tertiary institutions. On the other hand, the numbers of publicly-funded places provided by publicly-funded tertiary institutions for four-year and three-year undergraduate programmes were both 15,150, and places had to be reserved under each academic structure for students recruited through the non-Joint University Programmes Admissions System (estimated at about 2,500 places). Based on the aforesaid figures, in this year, about 14,000 and 5,700 candidates for HKDSEE and HKALE respectively, albeit having met the general entrance requirements for publicly-funded undergraduate programmes, could not be admitted to such programmes (non-admitted graduates). In this connection, will the Government inform this Council:

(a) whether it knows the pathways for the non-admitted graduates and, among them, the respective numbers of those who sought further studies abroad, and were admitted to self-financing undergraduate programmes and self-financing associate degree (AD) programmes;

(b) of the respective numbers of self-financing undergraduate programmes offered by each tertiary institution this year and last year, and the respective numbers of places of these programmes; as there were more non-admitted graduates this year as compared to some 5,000 graduates last year, whether it has assessed if the places offered by the new self-financing undergraduate programmes of this year are sufficient to meet the demand; whether it will consider subsidizing the non-admitted graduates, in the form of education vouchers or bought places, to study in undergraduate programmes; if it will not, of the reasons for that;

(c) of the number of the graduates who have not been admitted to any undergraduate programmes but have met the entrance requirements for AD programmes; whether it has assessed if the places offered by AD programmes this year are sufficient to meet the demand; which
institutions have over-enrolment of students in their AD programmes, and the respective numbers of students over-enrolled; whether it has assessed the increase in the demand for articulation places for the graduates from these AD programmes two years from now as a result of such over-enrolment, and how many articulation places the authorities plan to increase two years later; and

(d) the teaching staff-to-students ratios, the percentages of teaching staff holding a doctoral degree, and the percentages of teaching staff working on a part-time basis for the various self-financing undergraduate programmes and self-financing AD programmes this year and last year; given that the number of students enrolled in these programmes has increased significantly this year as compared to last year, whether the authorities have assessed if there are sufficient teaching staff with appropriate academic qualifications and experience to teach in these programmes?

SECRETARY FOR EDUCATION (in Chinese): President, the Government is committed to providing quality, flexible and diversified study pathways with multiple entry and exit points for secondary school leavers. We also support the parallel development of the publicly-funded and self-financing post-secondary education sectors. In 2012, the first cohort of students sitting the HKDSEE and the last cohort of day school students sitting the HKALE completed their secondary education at the same time, and there were over 100 000 day school candidates in total sitting these two examinations. On top of about 38 000 undergraduate places, local post-secondary institutions, both publicly-funded and self-financing, also offer over 39 500 full-time locally-accredited sub-degree places and some 35 000 continuing education and vocational training places in the 2012-2013 academic year. Students may take degree, sub-degree or other programmes according to their interests, aspirations and abilities.

(a), (b) and (c)

Of the 70 300 day school candidates sitting the HKDSEE and the 31 300 day school candidates sitting the HKALE in 2012, about 26 400 and 18 200 met the minimum entrance requirements for local undergraduate programmes respectively, whereas 47 800 and 27 300
satisfied the minimum entrance requirements for local sub-degree programmes respectively\(^{(1)}\).

Apart from 30 300 publicly-funded undergraduate places, some 7 700 places in full-time locally-accredited self-financing undergraduate programmes are offered in the 2012-2013 academic year (representing an increase of about 70% over the 2011-2012 academic year). According to the data provided by the institutions, a total of 6 800 students have been admitted to self-financing undergraduate programmes in the 2012-2013 academic year. Therefore, there are still self-financing undergraduate places available to meet the needs of eligible secondary school leavers in the 2012-2013 academic year. The estimated numbers of places in full-time locally-accredited self-financing undergraduate programmes and the numbers of such programmes offered in the 2011-2012 and 2012-2013 academic years are set out at Annex A.

As for sub-degree programmes, apart from the 9 300 publicly-funded places, about 30 200 places in full-time locally-accredited self-financing sub-degree programmes are offered in the 2012-2013 academic year. According to the data provided by the institutions, about 29 500 students have been admitted to self-financing sub-degree programmes in the 2012-2013 academic year. Overall speaking, there are sufficient self-financing sub-degree places to meet the needs of eligible secondary school leavers in the 2012-2013 academic year. A breakdown of the estimated and actual intakes of sub-degree programmes by institution in the 2011-2012 and 2012-2013 academic years is at Annex B. Regarding individual incidents of over-enrolment, we understand that the institutions concerned have taken action to address the issue, including providing additional teaching facilities, appointing additional

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\(^{(1)}\) For HKDSEE candidates applying for the four-year undergraduate programmes, the minimum general entrance requirements are Level 3 or above in Chinese Language and English Language, and Level 2 or above in Mathematics (Compulsory Part) and Liberal Studies. Apart from the four core subjects, individual institutions may also specify the entrance requirements for individual faculties/programmes as well as other admission requirements. At present, institutions generally require applicants to have attained Level 2 or 3 in one or two elective subjects. In 2012 HKDSEE, 26 300 day school candidates attained "3322" or better in core subjects and Level 2 or above in one elective subject, and 22 300 day school candidates attained "3322" or better in core subjects and Level 3 or above in two elective subjects.

The minimum general entrance requirements for sub-degree programmes are five subjects at Level 2 or above (including Chinese Language and English Language) in the HKDSEE or equivalent.
teachers with relevant qualifications and experience, and procuring additional teaching equipment. The Education Bureau will closely monitor the situation.

According to a questionnaire survey recently conducted by the Education Bureau on this cohort of HKDSEE graduates through their schools, about 7% of the graduates (or some 4 900 students out of a total of 70 300 day school candidates sitting the HKDSEE) have chosen to pursue further studies outside Hong Kong. Although we have not conducted a similar survey on HKALE graduates, the findings of the Survey on Educational Status of Secondary Seven Graduates in the 2010-2011 academic year showed that about 4.5% (or about 1 200) of such students chose to pursue full-time post-secondary programmes outside Hong Kong.

On financial assistance, the Government has introduced a number of schemes that provide grants, low-interest loans and non-means-tested loans to ensure that no eligible students are denied access to post-secondary education due to a lack of means. At present, the level of financial assistance for students taking self-financing post-secondary programmes is comparable to that offered to students in publicly-funded programmes. Moreover, the Government has established a $3.5 billion Self-financing Post-secondary Education Fund to enhance the quality of teaching and learning of the self-financing post-secondary education sector and provide scholarships for students in that sector. We also have a basket of measures in place to facilitate the development of the sector. As such, we do not see the need to provide assistance for students taking self-financing programmes in the form of education vouchers at this stage.

The sub-degree qualification itself is a valuable standalone qualification, as well as a progression pathway to further studies or employment. The Government encourages lifelong learning under the Qualifications Framework. To open up more study pathways for sub-degree graduates, we have doubled the number of senior year undergraduate places funded by the University Grants Committee (UGC) to 8 000 a year (that is, around 4 000 intakes) by phases starting from the 2012-2013 academic year. This will provide
outstanding sub-degree graduates with more opportunities for articulation to the last two years of undergraduate programmes under the New Academic Structure. As for self-financing top-up degree programmes, the number of intake places has been doubled from around 3,000 in the 2010-2011 academic year to 6,500 in the 2012-2013 academic year to provide even more opportunities for sub-degree graduates to pursue further studies.

On employment, the Government will continue to promote the sub-degree qualification and enhance its recognition in the job market.

(d) The teaching staff-to-students ratios and the highest qualifications held by the teaching staff of full-time locally-accredited self-financing undergraduate and sub-degree programmes offered by post-secondary institutions in the 2011-2012 academic year are set out at Annex C. The corresponding statistics for the 2012-2013 academic year are not yet available since they are still being compiled by the institutions.

According to the data provided by the institutions, the number of intakes for full-time locally-accredited self-financing undergraduate and sub-degree programmes was about 31,600 in the 2010-2011 academic year, while the respective number in the 2012-2013 academic year is about 36,300, representing an overall increase of about 14% over the 2010-2011 academic year. (For the 2011-2012 academic year, as there were no day school candidates sitting the Hong Kong Certificate of Education Examination, that year's figure does not form a suitable basis for comparison.)

The Government attaches great importance to the quality assurance of post-secondary education. The Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) is responsible for the quality assurance of all operators and programmes except the UGC-funded institutions with self-accrediting status. The HKCAAVQ assures, among others, that sufficient teaching staff with appropriate qualifications and experience are employed for locally-accredited self-financing sub-degree and undergraduate programmes. As for the
UGC-funded institutions with self-accrediting status, quality assurance procedures are in place to monitor the quality of their programmes.

Annex A

Estimated numbers of places in full-time locally-accredited self-financing undergraduate programmes and numbers of such programmes

<table>
<thead>
<tr>
<th>Institution</th>
<th>2011-2012</th>
<th>2012-2013 (provisional)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated Number of intake places</td>
<td>Number of programmes</td>
</tr>
<tr>
<td>Caritas Institute of Higher Education</td>
<td>240</td>
<td>1</td>
</tr>
<tr>
<td>Centennial College²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chu Hai College of Higher Education</td>
<td>665</td>
<td>10</td>
</tr>
<tr>
<td>Hang Seng Management College</td>
<td>480</td>
<td>4</td>
</tr>
<tr>
<td>Hong Kong Institute of Technology</td>
<td>140</td>
<td>2</td>
</tr>
<tr>
<td>Hong Kong Shue Yan University</td>
<td>1 200</td>
<td>12</td>
</tr>
<tr>
<td>SCAD Foundation (Hong Kong) Limited</td>
<td>228</td>
<td>8</td>
</tr>
<tr>
<td>The Hong Kong Institute of Education</td>
<td>325</td>
<td>5</td>
</tr>
<tr>
<td>The Open University of Hong Kong and Li Ka Shing Institute of Professional and Continuing Education</td>
<td>1 064</td>
<td>29</td>
</tr>
<tr>
<td>Tung Wah College</td>
<td>200</td>
<td>1</td>
</tr>
<tr>
<td>Vocational Training Council — The Technological and Higher Education Institute of Hong Kong (THEi)²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4 542</td>
<td>72</td>
</tr>
</tbody>
</table>

Notes:

¹ The figures are provisional as at early October 2012.

² Centennial College and Vocational Training Council THEi began offering undergraduate programmes in the 2012-2013 academic year.
## Annex B

Estimated and actual intakes of full-time locally-accredited sub-degree programmes \(^{(1)}\)

<table>
<thead>
<tr>
<th>Institution</th>
<th>2011-2012 academic year</th>
<th>2012-2013 academic year (provisional(^{(2)}))</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated intake</td>
<td>Actual intake</td>
</tr>
<tr>
<td>Institutions which offer publicly-funded programmes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City University of Hong Kong(^{(3)})</td>
<td>512</td>
<td>634</td>
</tr>
<tr>
<td>The Hong Kong Institute of Education(^{(3)})</td>
<td>381</td>
<td>217</td>
</tr>
<tr>
<td>The Hong Kong Polytechnic University(^{(3)})</td>
<td>1 537</td>
<td>1 755</td>
</tr>
<tr>
<td>Vocational Training Council(^{(4)})</td>
<td>5 270</td>
<td>8 684</td>
</tr>
<tr>
<td>Total</td>
<td>7 700</td>
<td>11 290</td>
</tr>
</tbody>
</table>

Institutions which offer self-financing programmes

| Caritas Bianchi College of Careers                                        | 440                  | 339            | 340              | 178            |
| Caritas Institute of Higher Education                                    | 313                  | 296            | 360              | 182            |
| City University of Hong Kong — Community College of City University      | 3 830                | 3 798          | 3 525            | 3 690          |
| Hang Seng Management College                                             | 150                  | 127            | 200              | 326            |
| HKU SPACE Po Leung Kuk Community College                                 | 1 465                | 1 866          | 1 591            | 2 599          |
| Hong Kong Adventist College                                              | -                    | -              | 40               | 1              |
| Hong Kong Art School\(^{(5)}\)                                            | 55                   | 46             | 55               | 93             |
| Hong Kong Baptist University and its School of Continuing Education and College of International Education | 1 985                | 2 290          | 3 090            | 2 853          |
| Hong Kong Buddhist College                                               | -                    | -              | 300              | 13             |
| Hong Kong College of Technology                                          | 580                  | 387            | 945              | 281            |
| Hong Kong Institute of Technology                                        | 280                  | 172            | 280              | 210            |
| Kaplan Business and Accountancy School                                   | -                    | -              | 160              | 14             |
| Lingnan University — The Community College at Lingnan University and Lingnan Institute of Further Education | 1 800                | 1 998          | 2 880            | 3 499          |
| Pui Ching Academy\(^{(6)}\)                                               | -                    | -              | 120              | -              |
| Sacred Heart Canossian College of Commerce                               | 160                  | 110            | 160              | 113            |
| School of Continuing and Professional Studies, The Chinese University of Hong Kong | 1 093                | 1 101          | 1 420            | 1 440          |
| The Chinese University of Hong Kong — Tung Wah Group of Hospitals Community College | 619                  | 842            | -                | -              |
| The Hong Kong Institute of Education                                     | 870                  | 515            | 285              | 354            |
| The Hong Kong Polytechnic University — Hong Kong Community College       | 3 742                | 4 379          | 4 500            | 4 648          |
| The Open University of Hong Kong and Li Ka Shing Institute of Professional and Continuing Education | 1 045                | 823            | 420              | 495            |
| The University of Hong Kong — HKU SPACE Community College                | 2 068                | 2 333          | 3 901            | 5 353          |
### Annex C

Numbers of teaching staff and the teaching staff-to-students ratios of self-financing sub-degree and/or undergraduate programmes\(^{(1)}\) of institutions in the 2011-2012 academic year

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of full-time teaching staff</th>
<th>Number of part-time teaching staff(^{(2)})</th>
<th>Number of teaching staff (full-time equivalent)</th>
<th>Percentage of part-time teaching staff</th>
<th>Teaching staff (full-time equivalent)-to-students ratio(^{(3)})</th>
<th>Highest qualification held by teaching staff (% of(^{(4)}))</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Caritas Bianchi College of Careers</td>
<td>18.8</td>
<td>0.6</td>
<td>19.4</td>
<td>3%</td>
<td>1.27</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>Caritas Institute of Higher Education</td>
<td>34.2</td>
<td>3.8</td>
<td>38.0</td>
<td>10%</td>
<td>1.17</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Chu Hai College of Higher Education</td>
<td>43.3</td>
<td>14.4</td>
<td>57.7</td>
<td>25%</td>
<td>1.22</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>City University of Hong Kong — Community College of City University</td>
<td>190.0</td>
<td>63.0</td>
<td>253.0</td>
<td>25%</td>
<td>1.27</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>Hang Seng Management College</td>
<td>87.0</td>
<td>9.9</td>
<td>96.9</td>
<td>10%</td>
<td>1.16</td>
<td>98%</td>
<td>2%</td>
</tr>
<tr>
<td>Hong Kong Baptist University — College of International Education</td>
<td>7.3</td>
<td>9.4</td>
<td>16.7</td>
<td>56%</td>
<td>1.6</td>
<td>71%</td>
<td>24%</td>
</tr>
<tr>
<td>Hong Kong Baptist University — College of International Education</td>
<td>86.0</td>
<td>44.0</td>
<td>130.0</td>
<td>34%</td>
<td>1.27</td>
<td>100%</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1. The figures show the estimated and actual intakes to the first year of the relevant programmes. The figures for self-financing and publicly-funded programmes offered by the Vocational Training Council in the 2012-2013 academic year exclude sub-degree programmes provided for Form 5 graduates under the old academic structure or equivalent qualifications.

2. The figures are provisional as at early October 2012.

3. The estimated intakes of UGC-funded institutions equal to the approved student number targets. The figures are in terms of full-time equivalent student numbers.

4. The estimated intakes of Vocational Training Council for the 2012-2013 academic year have been updated in the light of the needs for further studies of students of different education levels.

5. The total estimated intakes for full-time and part-time sub-degree programmes offered by the Hong Kong Art School in the 2012-2013 academic year is 85. In view of the demand for full-time sub-degree places, no students have been admitted to its part-time programmes at the end.

6. Pui Ching Academy has eventually decided not to offer any programmes in the 2012-2013 academic year. As a result, there is no student intake.

\(\sim\) indicates that no such programmes are/were offered by the institutions.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of full-time teaching staff</th>
<th>Number of part-time teaching staff</th>
<th>Number of teaching staff (full-time equivalent)</th>
<th>Percentage of part-time teaching staff</th>
<th>Teaching staff (full-time equivalent)-to-students ratio</th>
<th>Highest qualification held by teaching staff (%)&lt;sup&gt;(4)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong College of Technology</td>
<td>63.0</td>
<td>11.0</td>
<td>74.0</td>
<td>15%</td>
<td>1:13</td>
<td>81%</td>
</tr>
<tr>
<td>Hong Kong Institute of Technology</td>
<td>27.0</td>
<td>19.5</td>
<td>46.5</td>
<td>42%</td>
<td>1:22</td>
<td>100%</td>
</tr>
<tr>
<td>Hong Kong Shue Yan University</td>
<td>144.0</td>
<td>63.1</td>
<td>207.1</td>
<td>30%</td>
<td>1:23</td>
<td>88%</td>
</tr>
<tr>
<td>HKU SPACE Po Leung Kuk Community College</td>
<td>47.1</td>
<td>51.7</td>
<td>98.8</td>
<td>52%</td>
<td>1:27</td>
<td>85%</td>
</tr>
<tr>
<td>Lingnan University — The Community College at Lingnan University</td>
<td>83.0</td>
<td>50.2</td>
<td>133.2</td>
<td>38%</td>
<td>1:23</td>
<td>97%</td>
</tr>
<tr>
<td>Sacred Heart Canossian College of Commerce</td>
<td>15.0</td>
<td>1.3</td>
<td>16.3</td>
<td>8%</td>
<td>1:7</td>
<td>89%</td>
</tr>
<tr>
<td>SCAD Foundation (Hong Kong) Limited</td>
<td>17.0</td>
<td>1.7</td>
<td>18.7</td>
<td>9%</td>
<td>1:14</td>
<td>100%</td>
</tr>
<tr>
<td>School of Continuing and Professional Studies, The Chinese University of Hong Kong</td>
<td>105.3</td>
<td>48.5</td>
<td>153.8</td>
<td>32%</td>
<td>1:22</td>
<td>96%</td>
</tr>
<tr>
<td>The Hong Kong Institute of Education — School of Continuing and Professional Education&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>18.0</td>
<td>14.0</td>
<td>32.0</td>
<td>44%</td>
<td>1:22</td>
<td>87%</td>
</tr>
<tr>
<td>The Hong Kong Polytechnic University — Hong Kong Community College</td>
<td>199.0</td>
<td>98.9</td>
<td>297.9</td>
<td>33%</td>
<td>1:26</td>
<td>97%</td>
</tr>
<tr>
<td>The Open University of Hong Kong&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>241.0</td>
<td>156.0</td>
<td>not provided by the institution</td>
<td>not provided by the institution</td>
<td>not provided by the institution</td>
<td>95%</td>
</tr>
<tr>
<td>The University of Hong Kong — HKU SPACE Community College</td>
<td>134.0</td>
<td>49.0</td>
<td>183.0</td>
<td>27%</td>
<td>1:32</td>
<td>90%</td>
</tr>
<tr>
<td>Tung Wah College&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>27.0</td>
<td>6.7</td>
<td>33.7</td>
<td>20%</td>
<td>1:10</td>
<td>89%</td>
</tr>
<tr>
<td>Vocational Training Council&lt;sup&gt;(8)&lt;/sup&gt;</td>
<td>588.0</td>
<td>not provided by the institution</td>
<td>588.0</td>
<td>not provided by the institution</td>
<td>1:20</td>
<td>87%</td>
</tr>
<tr>
<td>Yew Chung Community College</td>
<td>3.0</td>
<td>1.0</td>
<td>4.0</td>
<td>25%</td>
<td>1:4</td>
<td>83%</td>
</tr>
</tbody>
</table>

Notes:

1. The teaching staff may teach both sub-degree and undergraduate programmes.
2. The figures are in full-time equivalent terms. Method of calculation: Total working hours of full-time/part-time staff allocated to full-time locally-accredited sub-degree and undergraduate programmes divided by the total normal working hours of a full-time staff member of the same rank or of an equivalent rank during the contract period.
3. The figures represent the ratios of "the number of teaching staff (full-time equivalent)" to "the number of students of full-time locally-accredited sub-degree and undergraduate programmes".
4. The percentages for the Caritas Bianchi College of Careers, Caritas Institute of Higher Education, Hong Kong Baptist University — College of International Education and School of Continuing and Professional Studies of The Chinese University of Hong Kong only take into account full-time staff.
5. The numbers of teaching staff and students only take into account self-financing sub-degree programmes, but not publicly-funded and self-financing undergraduate programmes offered by The Hong Kong Institute of Education.
6. The figures for The Open University of Hong Kong represent the total numbers of full-time and part-time teaching staff. As most full-time teaching staff teach in both full-time and part-time programmes, the institution cannot provide the number of teaching staff (full-time equivalent) for full-time programmes separately.
7. The Tung Wah College began to offer post-secondary programmes in the 2011-2012 academic year. The teaching staff-to-students ratio may vary in future.
8. The figures for the Vocational Training Council exclude the numbers of teaching staff and students of publicly-funded programmes. The teaching staff-to-students ratio is based on the number of full-time teaching staff.
Columbarium, Crematorium and Funeral Facilities

14. **MR LEUNG KWOK-HUNG** (in Chinese): President, I have received complaints from quite a number of members of the public and groups saying that they have encountered many problems when dealing with cremation and burial matters for the deceased, including applying to the Food and Environmental Hygiene Department (FEHD) for cremation permits, requesting for using eco-coffins, scattering cremated human ashes in Gardens of Remembrance (GoRs) and waiting for niches, and so on. Moreover, they have also encountered the problem of not being able to secure bookings of mourning halls in funeral parlours as they were fully booked. On the other hand, it has been recently reported in the press that the Grand Peace Funeral Parlour (GPFP), which was just granted the right to operate the former Hung Hom Public Funeral Parlour (HHPFP) by the Government this year, is having difficulties in its business. In this connection, will the Government inform this Council:

(a) as some members of the public have pointed out that there are "queuing gangs" representing different undertakers to queue up round-the-clock for booking cremation sessions provided by the FEHD, and that each person will be allocated a maximum of five chips, making it impossible for the underprivileged people to book cremation sessions, whether the authorities will formulate measures to eradicate the activities of "queuing gangs"; if they will, of the implementation time; if not, the reasons for that;

(b) of the amount of the burial grant currently provided to recipients of the Comprehensive Social Security Assistance (CSSA) Scheme; whether it has assessed if the amount is adequate to cover the costs for holding a basic funeral or religious service for the deceased in a funeral parlour; if the assessment is in the affirmative, of a list of the names of those funeral parlours which charge no more than this amount; if the assessment is in the negative, whether it will adjust the amount of the burial grant;

(c) whether it will help all the 10 non-governmental organizations or charities which provide burial support services in obtaining undertakers' licences, so that they can specialize in providing "one-stop" and non-profit-making undertaking services for the poor, and the elderly with no relatives and friends, who rely on the burial
grants from the Social Welfare Department (SWD); if it will, of the launching time; if not, the reasons for that;

(d) whether the FEHD can immediately take forward a plan to build no less than 50,000 additional niches every year in its eight columbaria, so as to alleviate the current shortage of niches and meet the demand for niches that comes along with an ageing population; if so, of the implementation time; if not, the reasons for that;

(e) of the respective numbers of applications for cremation services, cases of using eco-coffins, cases of scattering cremated human ashes in GoRs, and the accumulated registrations on the waitlist for public niches last year and this year so far (listing the numbers in the table below);

<table>
<thead>
<tr>
<th></th>
<th>Applications for cremation services</th>
<th>Cases of using eco-coffins</th>
<th>Cases of scattering cremated human ashes in GoRs</th>
<th>Accumulated registrations on the waitlist for public niches</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(f) facing an ageing population and in view of the constant shortfall in supply of mourning halls in funeral parlours, whether the Government will consider constructing new funeral parlours in the next three years; if so, when the works will commence and in which districts it plans to build these new funeral parlours; if not, of the reasons for that;

(g) given that the Government of the last term had identified 24 sites in 18 districts across the territory for conducting studies on columbarium development, whether the Government of the current term will implement the plan; if so, when the plan will be launched, and the number of niches to be provided in each district; if not, how it will handle the numerous registrations on the waitlist for public niches;
(h) given that it has been reported that GPFP, which was granted by tender in April this year the right to operate HHPFP for a consideration of $13.95 million in quarterly rental, has to secure loans due to poor management, what regulatory measures the authorities have to ensure that the services to the public will not be affected in case of sudden closure of GPFP; whether they have assessed if the fee for the right to operate the facility is the reason for the difficulties in GPFP's business; whether they know if there has been any significant change in the shareholders of GPFP (for example, shares sold to financial institutions, and so on) since it signed the contract with the Government; and

(i) as some members of the public have complained that GPFP has breached its contract with the Government by not providing low-cost basic funeral services to people in need (such as CSSA recipients) as recognized by the SWD or other relevant agencies, how the Government will prevent the recurrence of similar incidents, and what penalties it will impose on the contractor for breaching the contract?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, on funeral matters, it is the Government's policy to encourage cremation and to provide the public with efficient and dignified cremation service. At the same time, we are committed to promoting wider use of environmentally-friendly and sustainable means for the disposal of the dead. The FEHD is empowered under the Public Health and Municipal Services Ordinance (Cap. 132) to regulate business related to burials. Any person interested in undertaking burial services must apply for a licence from the FEHD and comply with statutory requirements covering such matters as the handling of human cadavers and maintaining records. To meet future demand, the Government is striving to identify suitable sites for building more funeral-related facilities with appropriate design. Besides, the Government will review the provision of cemetery, columbarium and crematorium facilities from time to time so as to keep the further development of our funeral-related facilities and installations abreast of the times. My reply to Mr LEUNG Kwok-hung's question is as follows:

(a) At present, applicants for cremation services have to produce, for verification by the FEHD, the original copy of requisite documents
(for example, the certificate of registration of death, cremation permit, and so on) before booking a cremation session. Applicants may either apply in person or authorize licensed undertakers of burials to act on their behalf. Since a vast majority of the applicants choose to use the one-stop after-death service offered by licensed undertakers of burials for the deceased, the FEHD had, after discussion with the representatives of the funeral trade, introduced since 2003 the arrangement whereby a person waiting for booking cremation service may be allocated up to five "chips", provided that they are able to produce the aforesaid original documents as evidence of their having obtained an equal number of authorizations for booking cremation service.

The above arrangement came about largely because the choice of entrusting after-death services to undertakers of burials has become the mainstream practice. Irrespective of whether applications for booking cremation service are made through undertakers of burials or by the applicants in person, the FEHD will offer, in line with its performance pledge, a cremation session within 15 days following the day on which an application is made. In addition, the FEHD is making preparations for implementing an online registration service for booking cremation sessions. The service is expected to commence in the second quarter of 2013. By then, the public will have one more channel for booking cremation sessions.

(b) For recipients of CSSA who have passed away, their relatives may apply for a grant from the SWD to meet burial-related expenses, such as charges for death certificate and basic funeral services. The amount of the grant payable is equivalent to either the actual outlay after deducting donations from others (including condolence contributions) or the prescribed maximum level, whichever is the less. The current maximum amount of this burial grant is $12,120, which is pegged to the burial grant payable under the Emergency Relief Fund and is adjusted annually in accordance with the movement of the Consumer Price Index (A).

In accordance with the Agreement signed between the Government and the operator of the GPFP, the operator is required to provide low-cost funeral services to people in need (for example, CSSA
recipients) referred to the funeral parlour by SWD or other relevant organizations at a service fee not exceeding the maximum amount of the above burial grant (currently $12,120) for each case. The fee may be adjusted over time, with the amount involved determined by the Government. The fee should be sufficient to cover all the outlay for the conduct of basic and holistic service necessary for the disposal of a dead body, including but not limited to expenses for the transport of the dead body from the hospital or mortuary to the funeral parlour, the procurement of a coffin, the conduct of funeral ceremony at the funeral parlour, the delivery of the dead body from the funeral parlour to the final disposal site, and cremation. In addition to the GPFP, other licensed funeral parlours, such as the International Funeral Parlour and Diamond Hill Funeral Parlour, also provide basic funeral services for those in need (for example, CSSA recipients) at a fee not exceeding the maximum amount of the above burial grant.

(c) Under the existing legislation, burial matters must be handled by licensed undertakers of burials. Any person (including non-governmental organizations or charitable organizations) interested in undertaking operations connected with burials may apply for a licence from the FEHD. After initial screening, the FEHD will circulate the application to departments concerned for comments, including the Home Affairs Department, the Lands Department and the Planning Department. The relevant District Officer will also conduct local consultation. Among the present 104 licensed undertakers of burials, there are social welfare organizations. According to its records, the FEHD has not received any application for an undertaker's licence from social welfare organizations in the past five years.

(d) Since early 2000, the FEHD had started to study the feasibility of extensions to the eight public columbaria under its management. The first extension project in Cheung Chau Columbarium was completed in 2004, and others in Wo Hop Shek Columbarium, Kwai Chung Columbarium, Cape Collinson Columbarium and Diamond Hill Columbarium were subsequently completed in 2007, 2008, 2009 and 2011 respectively. Besides, a new public columbarium and GoR under the FEHD at Kiu Tau Road, Wo Hop Shek was
completed in July 2012. About 43,000 niches are made available for allocation in phases.

The FEHD will continue to review the feasibility of building additional niches in public columbaria. However, the scale of extension works is often subject to such constraints as space, transport infrastructure support and other factors which include the views of nearby residents.

(e) The respective numbers of applications for cremation service, cases using eco-coffins and the scattering of cremated human ashes in GoRs from 2011 to 30 September 2012 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases of cremations</th>
<th>Cases of using eco-coffins</th>
<th>Cases of scattering cremated human ashes in GoRs</th>
<th>Cumulative registrations on the waiting list for public niches</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (up to 30 September)</td>
<td>30,037</td>
<td>346</td>
<td>1,548</td>
<td>The Government does not have a waiting list for new niches</td>
</tr>
<tr>
<td>2011</td>
<td>37,916</td>
<td>563</td>
<td>1,648</td>
<td></td>
</tr>
</tbody>
</table>

(f) At present, the average utilization rate of the seven existing funeral parlours in Hong Kong is around 70%. The International Funeral Parlour tops the list with 86%. The running of a funeral parlour is a commercial undertaking. On its part, the FEHD will handle applications for funeral parlour licences according to the established licensing procedures. To address the demand for such services in the medium and long term, the Government plans to develop public funeral facilities (including a funeral parlour with around 30 halls, a crematorium and columbarium facilities) at the Sandy Ridge Cemetery, with a view to providing the public with modern, all-inclusive funeral services at one location. The project is expected to be completed in phases from 2022 onwards.
(g) The Government has identified 24 potential sites in all 18 districts across the territory for developing columbarium facilities. Whether these sites could eventually be used for developing columbarium facilities will depend on the results of the technical feasibility studies or traffic impact assessments (where applicable). Upon completion of the relevant studies, the FEHD will consult the relevant District Councils (DCs) before going firm on developing the sites for columbarium use.

Since May 2011, the FEHD has been consulting the relevant DCs on individual sites. With support from the relevant DCs, the extension project of Diamond Hill Columbarium (providing 1 540 niches) was completed in April 2012, while the extension project of Cheung Chau Columbarium (providing 990 niches) will commence in early 2013 for completion by end 2013. As for the Wo Hop Shek Cemetery extension in North District (providing about 44 000 niches); the site at the Tsang Tsui ash lagoon in Tuen Mun (providing about 110 000 niches); the site at Tsing Tsuen Road near the Tsuen Wan Chinese Permanent Cemetery in Kwai Tsing District (providing about 20 000 niches), as well as the construction of funeral parlour, crematorium and columbarium facilities at the undeveloped areas within the Sandy Ridge Cemetery (providing about 200 000 niches) together with relevant site formation and infrastructure works, the relevant DCs were consulted between April and November this year. The FEHD is forging ahead with the technical feasibility studies related to the remaining sites to ascertain their suitability, and will consult various DCs in due course. Subject to the support of DCs and the Legislative Council, and taking into account the number of niches to be supplied by the Chinese Permanent Cemeteries, it is estimated that the Government will be able to provide about 120 000 new niches (including the 43 000 new niches in Kiu Tau Road, Wo Hop Shek completed in July 2012) between 2012 and 2016, and that the supply of new niches will cumulatively increase to hundreds of thousands in the medium and long term (that is, between 2017 and 2031).

(h) On the basis of the professional assessment and advice furnished by the Rating and Valuation Department (namely an annual market rental of $24 million), the FEHD has pitched the minimum tender
price for the HHPFP at the level as it is, that is, a quarterly rental of $6 million. In other words, the upset price for the five-year tender agreement period is $120 million. The current operator of the GPFP has obtained the right to provide services for a period of five years from 1 April 2012 to 31 March 2017 at a quarterly rental of $13.95 million. The operator's tendering decision is a matter of commercial consideration.

The contract was entered into between the South China Memorial Park and Funeral Service Limited and the FEHD, whereas the business is operated under the name of the GPFP. The South China Memorial Park and Funeral Service Limited, being the legal entity responsible for execution of the contract, is not required to notify the FEHD of any change in its shareholding and shareholders.

As for fees payable by the operator of the GPFP, the FEHD has laid down appropriate provisions in the agreement. The FEHD will vigorously enforce the terms of the agreement so as to protect the Government's interest. Besides, the FEHD will closely monitor the service standard of the new operator and conduct inspection from time to time to ensure that the operator observes the licensing conditions and the provisions of the Agreement.

(i) The operator running the GPFP is required to display, at a conspicuous location of the funeral parlour, information about the availability of low-cost funeral service with details, as well as to maintain records of low-cost funeral service provided during the agreement period. Such records shall be made readily available for inspection by the FEHD on demand at all times. The FEHD will conduct monthly inspection to ensure that the operator is complying with the licensing conditions and the provisions of the Agreement. The FEHD will direct the operator to upgrade the standard of low-cost funeral service if such service is found to be unsatisfactory or inadequate. According to the terms and conditions of the Agreement, the Government shall be entitled to terminating the Agreement forthwith if the operator is in material breach of or has repeatedly committed breaches of any of his obligations under the Agreement.
Since the inception of service on 27 April 2012, the operator has provided low-cost basic funeral service to a total of 26 persons in need. The FEHD has not received any complaints from the needy on refusal of service requests.

Requirement for Foreign Domestic Helpers to Return to Their Places of Origin upon Termination of Contracts

15. MRS REGINA IP (in Chinese): President, some employers of foreign domestic helpers (FDHs) have complained to me that their FDHs, soon after reporting for duty, employed various tactics to make the employers terminate the employment contracts with them, so as to receive wages in lieu of notice and free passage back to their places of origin. However, these FDHs did not return to their places of origin as required and took up employment in other households within a short period of time. In this connection, will the Government inform this Council:

(a) whether the Government has put in place measures to ensure that FDHs comply with the requirement of returning to their places of origin upon termination of contracts;

(b) whether the Immigration Department (ImmD) has kept records on the employment of FDHs and their termination of contracts with employers; if so, how it processes generally applications for coming to work in Hong Kong again by those FDHs who have records of early termination of contracts; and

(c) whether the authorities will consider setting up a database to allow employers, on the premise of not contravening the Personal Data (Privacy) Ordinance (Cap. 486), to check records of fulfilment of contractual obligations or the entry and departure records of FDHs whom they intend to employ?

SECRETARY FOR SECURITY (in Chinese): President, the reply to the three parts of the question is as follows:
(a) and (b)

Under the prevailing arrangement, FDHs have to undertake in the visa application form for employment in Hong Kong that he/she will depart Hong Kong upon the completion of employment contract or within two weeks after the termination of employment contract, whichever is the earlier. This is also one of the conditions of stay imposed on the FDHs by the ImmD. An FDH who has overstayed is in breach of his/her condition of stay. According to the Immigration Ordinance (Cap. 115), offenders are liable on conviction to a fine of $50,000 and to imprisonment for two years. Being the sponsor of the FDH, the employer is also responsible for sending the FDH back to his/her place of origin on expiry or termination of employment contract. This requirement is set out in clause 7(a) of "Employment Contract (for a Domestic Helper recruited from abroad)" (the standard employment contract), that is, the employer shall provide the FDH with free passage from his/her place of origin to Hong Kong, and on termination or expiry of the contract, free return passage to his/her place of origin. This arrangement is to ensure the FDH's smooth return to his/her place of origin on termination or expiry of the contract and will not be stranded in Hong Kong due to insufficient fund.

Furthermore, clause 12 of the standard employment contract states that in the event of termination of the contract, both the employer and the FDH shall give the ImmD notice in writing within seven days of the date of termination. A copy of the other party's written acknowledgment of the termination shall also be forwarded to the ImmD. The ImmD will keep such records which will be taken into consideration for assessing the FDH's future applications for employment visa or extension of stay. As a matter of fact, when assessing the employment visa application of an FDH to work for another employer after termination or expiry of contract, the ImmD will conduct a movement record check to ensure that the FDH is out of Hong Kong before the new visa is issued.

The ImmD has been strictly assessing the FDHs' employment visa applications. If the applicants are suspected to have any adverse
records or breaches, including abuse of the employment arrangement of FDHs, the ImmD will consider refusing the application based on individual circumstances. The ImmD has already strengthened the assessment of suspected abuse of contract termination arrangement by FDHs, such as examining the frequency and reasons of contract termination. Future applications for employment visa will be refused if such abuse is substantiated.

(c) Fulfilment of contractual obligations and movement records of individuals are personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). Such information generally cannot be disclosed without the consent of the data subject. The Government currently has no plan to set up a database of fulfilment of contractual obligations and movement records of employees in individual sectors (including FDHs).

Language Support for Public Rental Housing Applicants from Ethnic Minorities

16. MR ALAN LEONG (in Chinese): President, according to the 2011 Population Census, the number of people from ethnic minorities living in Hong Kong was 451,183, accounting for more than 5% of Hong Kong's population. On the other hand, as revealed by the surveys conducted by a number of concern groups, most of the South Asians residing in Hong Kong have all along been living in poverty. Recently, I have also received requests for assistance from the ethnic minorities, who said that they faced great language barriers when applying for public rental housing (PRH). In this connection, will the Government inform this Council:

(a) whether it has compiled statistics on the current number and percentage of applicants on the Waiting List for PRH from the ethnic minorities, together with a breakdown by nationality;

(b) whether it has compiled statistics on the number of PRH applications in the past five years which had been affected (for example, disqualification owing to delay in replying to the Housing Department (HD)) because the applicants did not know Chinese nor English or because of other language barriers;
(c) whether the documents published by the HD on PRH applications and the letters sent by the HD to PRH applicants are available in languages other than Chinese and English; if so, of the details; if not, the reasons for that;

(d) whether the HD (including the headquarters and estate offices) has currently employed any people from the ethnic minorities; if it has, of the details;

(e) whether the HD has issued specific guidelines to front-line staff on the handling of enquiries or complaints from PRH applicants or PRH residents who do not know Chinese nor English; and

(f) of the details of the translation support provided by the HD for PRH applicants who do not know Chinese nor English; whether it has considered making reference to the practice of certain government departments and public organizations and formulating policies to provide language support to PRH applicants from the ethnic minorities; if it has, of the details, including the relevant expenditure; if not, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, section 3(1) of the Official Languages Ordinance (Cap. 5) provides that both the English and Chinese languages are the official languages of Hong Kong for the purposes of communication between the Government or any public officer and members of the public and for court proceedings. Therefore, correspondences between the HD and PRH applicants are generally in Chinese or English.

The Race Discrimination Ordinance (Cap. 602) does not make any express provision that translated copies of government documents have to be provided in different languages. However, to facilitate the ethnic minorities in better integrating into the community, the HD has implemented the following measures to enhance their access to public housing services:

(i) selected essential information on PRH application and policy are available in six ethnic minority languages (that is, Bahasa Indonesia, Hindi, Nepali, Tagalog, Thai and Urdu) on the Hong Kong Housing Authority (HA)/the HD Website.
(ii) At present, the Home Affairs Department (HAD) commissions non-governmental organizations (NGOs) to operate four support service centres for ethnic minorities. Amongst these support service centres, the Centre for Harmony and Enhancement of Ethnic Minority Residents (CHEER) provides free telephone interpretation service. The HD has prepared an information brief in the aforementioned six ethnic minority languages about these support service centres for the reference of ethnic minority PRH applicants. Information leaflets provided by the HAD and the NGOs are also distributed at the HA Customer Service Centre to ethnic minority applicants who visit the centre.

(iii) A video promoting harmonious community relations among different racial groups and the provision of various PRH service and assistance channels available for the ethnic minorities is broadcasted in the Waiting Hall of Applications Sub-section at the HA Customer Service Centre.

My replies to the questions raised by Mr Alan LEONG are as follows:

(a) According to prevailing policy, persons of any ethnic origin or nationality, provided that they are residing in Hong Kong and have the right to land in Hong Kong without being subject to any condition of stay and fulfil other eligibility criteria, may apply for PRH. Applicants are not required to provide details of their ethnic origin or nationality on the application form for PRH. As such, we have no statistics on ethnic minorities applying for PRH.

(b) As mentioned above, the HD has implemented a range of measures to enhance access of individual non-Chinese/English speaking ethnic minorities to information on application for public housing. We have not received any report of PRH applications of ethnic minorities being affected because they cannot understand Chinese or English.

(c) Notification letters and related documents for PRH application generally adopt the official languages of Chinese and English. However, if the HD staff processing applications for PRH become aware that an individual ethnic minority PRH applicant may not understand Chinese and English, we will attach the information brief
in the aforementioned six ethnic minority languages in the notification letter. This is to facilitate their seeking translation/interpretation services through the support service centres.

(d) Two Pakistani Hall Attendants have been employed to offer reception and simple interpretation service at the HA Customer Service Centre to some of the ethnic minority PRH applicants.

(e) The HD had set up administrative guidelines for the promotion of equality for ethnic minorities. Training has also been provided to staff to enhance their understanding of the Race Discrimination Ordinance and related guidelines, and to promote their sensitivity on racial equality so as to facilitate provision of services to the ethnic minorities. Moreover, the HD has also distributed information about the four support service centres operated by NGOs mentioned above to our staff so that they may seek their assistance when necessary.

(f) The HD has a long-standing practice to provide language support service to non-Chinese/English speaking ethnic minority PRH applicants. Apart from the abovementioned simple interpretation service provided by the two Pakistani Hall Attendants, the HD will also deploy the telephone translation/interpretation service of CHEER and utilize the video conference equipment installed in the HA Customer Service Centre to facilitate communications among HD staff, ethnic minority applicants and the interpreters from CHEER. For complicated cases, the HD will make advance arrangement with CHEER for on-site interpretation service. Support service to ethnic minorities' applications for PRH is an integral part of the support services to all PRH applicants. We therefore have no separate information on the cost involved in this aspect.

Assistance for People with Hearing Impairment

17. MS EMILY LAU (in Chinese): President, several persons with hearing impairment have, through my office, urged the authorities to help persons with hearing impairment integrate into the community, thereby enabling them to enjoy
the same basic rights as those enjoyed by other members of the public. In this connection, will the executive authorities inform this Council:

(a) whether the authorities will consider listing sign language as an official language;

(b) whether they know the current number of professionally qualified sign language interpreters in Hong Kong, and the criteria for determining the professional qualifications of sign language interpreters; whether they have plans to train more sign language interpreters; if so, of the details; if not, the reasons for that;

(c) whether they have plans to increase the subsidies for provision of sign language interpretation services, or to provide persons with hearing impairment with allowances to hire sign language interpreters; if not, of the reasons for that;

(d) whether they have plans to implement a bilingual mode of education offering sign and spoken languages for students with hearing impairment to choose; if not, of the reasons for that;

(e) whether they have requested television stations to add sign language and subtitles to their programmes, so that persons with hearing impairment may also enjoy television programmes; whether they will consider including in the licensing conditions for television stations the requirement of providing sign language and subtitles in certain television programmes; and

(f) whether they have assessed how the measures taken by the Government to help persons with hearing impairment overcome problems of their hearing impairment compare with those of other cosmopolitan cities?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, it is the Government's established policy objective to create a barrier-free environment and promote barrier-free communication, thereby facilitating full integration of persons with disabilities into the community. In this regard, we strive to adopt appropriate measures to facilitate persons with disabilities in communication,
including persons with hearing impairment in using sign language or alternative modes in communication with others.

According to the report of the territory-wide survey on persons with disabilities and chronic diseases released by the Census and Statistics Department in 2008, there were about 92,200 persons having hearing difficulties in Hong Kong. Of these, 8,600 persons (9.3%) indicated that they were unable to hear at all; while the remaining 90% or so (including those requiring a specialized hearing aid) could generally rely on their residual hearing ability to communicate verbally or in other forms of communication. Although a small portion of persons with hearing impairment can only communicate in sign language, according to many groups of and service agencies for the hearing impaired, combined use of sign language, oral language and other forms of communication where appropriate can enable persons with hearing impairment to learn and communicate more effectively.

My reply to the question raised by Ms Emily LAU is as follows:

(a) To promote the use of sign language and enhance social inclusion, the Labour and Welfare Bureau has formed a Working Group under the Rehabilitation Advisory Committee (RAC) to advise the Government on ways to promote sign language. The Working Group comprises members of the RAC, persons with hearing impairment, sign language interpreters and representatives from non-governmental organizations of the rehabilitation sector and the education sector. Representatives of relevant government bureaux and departments also attend meetings for discussion as and when required.

Having considered the views of various stakeholders, the Working Group concludes that priority should be given to the promotion of sign language for the time being to facilitate popularization and development of basic sign language. The question of whether sign language should be adopted as an official language will be examined after a common form of local sign language has evolved over time.

(b) and (c)

To enhance the communication of persons with hearing impairment with others, some Social and Recreational Centres for the Disabled
and two Multi-service Centres for the Hearing Impaired Persons subvented by the Social Welfare Department (SWD) organize sign language training courses and provide sign language interpretation services to assist persons with hearing impairment in communicating with the hearing community. The sign language interpretation services provided include interpretation service for persons with hearing impairment in relation to job interviews, court hearings, wedding ceremonies, medical consultations, and so on. The SWD will continue to monitor the utilization and effectiveness of the sign language training courses and interpretation services, and review the use of resources as appropriate.

Besides, the Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities had organized a three-year Open Assessment Scheme for Sign Language Interpreters. Trainees with outstanding results were recommended to provide service to the Court. They, in collaboration with the service agencies for the hearing impaired, are planning to launch certificate courses on professional sign language interpretation with a view to training up more qualified sign language interpreters and enhancing the professional standard of sign language interpretation service. The Working Group under the RAC as mentioned in part (a) above will continue to examine issues relating to sign language tutor training, training and accreditation of sign language interpreters, quality of sign language interpretation service, and so on.

The Government is also committed to promoting sign language learning. The Labour and Welfare Bureau has all along been providing subsidies to service agencies for and self-help groups of the hearing impaired to produce sign language training manuals and self-learning package, including assistive tools for sign language learning via computer or smart phone applications, production of sign language learning cards and teaching kids, as well as setting up the Hong Kong Sign Language Browser, and so on. The Labour and Welfare Bureau has also subsidized these organizations to organize multifarious public education activities to enhance public understanding of sign language and achieve social inclusion. Such activities include the Hong Kong Deaf Festival, workshops on sign
language, sign language interpretation contests, exhibitions on sign language and carnivals, and so on.

(d) In general, hearing impaired students who study in ordinary schools are those with less severe impairment. With the help of hearing devices, their hearing ability is considerably enhanced and hence they can normally use oral language to communicate with their teachers and fellow students. Ordinary school teachers use oral language in their daily teaching or communicating with the hearing impaired students to help them use their residual hearing ability to acquire subject knowledge. Teachers will also use different visual strategies, contextual cues, body language, written text, gestures, and so on, to enhance their comprehension and learning effectiveness.

Students with severe or profound hearing loss or who cannot construct knowledge because of inadequate speech ability would be referred to schools for children with hearing impairment, in which hearing teachers, hearing impaired teachers and hearing impaired teaching assistants are employed. Hearing impaired teachers will teach in sign language, while normal hearing teachers will conduct teaching activities by using both oral and sign languages, supplementing with visual strategies. Where necessary, hearing impaired teaching assistants will convey the teaching contents to the students by sign language in order to enhance their comprehension and learning effectiveness. Simultaneous sign interpretation services will also be provided for other school activities.

While various countries in the world have been exploring the teaching modes for hearing impaired students (such as oral, signing, sign-supported, bilingual and bicultural, bilingual and co-enrolment, and so on) for nearly 200 years, they have yet to arrive at a conclusion on the most effective teaching mode for these students. As a result, individual countries currently adopt teaching modes which they consider most suitable for their situation. The Education Bureau will continue to keep in view international developments in the teaching modes for hearing impaired students and listen to the views of stakeholders with a view to helping schools
address the educational needs of hearing impaired students more effectively.

(e) The Government is mindful of the needs of persons with hearing impairment for social information. Therefore, under the current licensing conditions, the two domestic free television programme service licensees in Hong Kong are required to provide subtitling service on both English and Chinese channels for all news, current affairs, weather programmes and emergency announcements. Besides, they are also required to provide Chinese subtitles in all programmes on the Cantonese channels between 7 pm and 11 pm, and English subtitles on the English channels at least for two hours each week in the programmes targeting teenagers with educational value.

Following the mid-term review of the domestic free television programme service licences in 2010, the former Broadcasting Authority (the predecessor of the Communications Authority) required the two free television licensees to step up incrementally their subtitling service to cater for the needs of persons with hearing impairment. Specifically, these two free television licensees have, starting from 31 December 2010, provided Chinese subtitling for all drama programmes carried on the Cantonese channels. They are also required to provide English subtitling for all programmes broadcast on the English channels between 8 pm and 11:30 pm by the end of 2012.

In addition, Radio Television of Hong Kong has also produced programmes with sign language interpretation in recent years. For example, both the "News Review" (《時事摘錄》) and "Look and Learn" (《識多一點點》) which are currently on air provide detailed subtitles and sign language interpretation to facilitate audience with hearing impairment.

To address the needs of persons with hearing impairment, the two free television licensees have stepped up incrementally their subtitling service according to their licensing conditions. As for sign language interpretation, given the technical difficulties in providing such service, the television licensees are encouraged to
provide sign language interpretation service to provide an alternative option for audience with hearing impairment in receipt of information, initially on a voluntary basis, having regard to the mode of operation of individual programmes.

(f) For sustained development of rehabilitation services in Hong Kong (including support for persons with hearing impairment), we have all along kept a close watch on the related international developments and drawn reference to overseas experience. For instance, the aforementioned Working Group under the RAC held a sharing session on 17 May 2011 in which Professor Marc MARSCHARK, an internationally renowned scholar, and Mr Markku JOKINEN, President of the World Federation of the Deaf, were invited to share international experience in the promotion of sign language.

Officers of the Education Bureau have also from time to time participated in international conferences on special education (including hearing impairment), paid visits to relevant organizations and schools, and invited international scholars for experience-sharing and discussion in Hong Kong, in order to keep abreast of the developments in special education in different countries and regions, thereby enhancing the support and services for special education in Hong Kong.

Public Swimming Pool Monthly Ticket Scheme

18. **MR GARY FAN** (in Chinese): President, regarding the Public Swimming Pool Monthly Ticket Scheme (the Scheme) launched by the Leisure and Cultural Services Department (LCSD) in the swimming season this year, will the Government inform this Council:

(a) of the respective numbers of monthly tickets sold at full fare and with half-rate concession so far;

(b) whether it has compiled statistics or conducted any study on the utilization of the monthly tickets (for example, the frequency of utilization or in which sessions they were used); if it has not, of the reasons for that;
(c) whether it has assessed if the Scheme has increased the utilization rate of the swimming pools; if such assessment has been made, of the outcome; whether any swimming pool had to suspend admission of swimmers because the number of swimmers admitted had reached its maximum capacity; and

(d) whether it will consider lowering the price of the monthly tickets so as to attract more members of the public to use such tickets; if it will not, of the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the LCSD introduced the Scheme on 5 July 2012 with the aim of relieving the financial burden on regular swimmers, especially elderly swimmers, and to encourage public participation in sport.

Ticket holders are entitled to unlimited use of all public swimming pools under the management of the LCSD (except the Wan Chai Swimming Pool, which is designated for group training) during public sessions within one month of the effective date of the ticket.

The monthly tickets, priced at $300 each, went on sale on 21 June 2012. Senior citizens aged 60 or above, people with disabilities and their minders (on a one-to-one basis), children aged between three and 13, and full-time students have a half-price concession and can purchase the monthly ticket for $150.

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

(a) From 21 June 2012, when the public swimming pool monthly tickets went on sale, to the end of October, the LCSD had sold 30 970 tickets, of which 11 374 were sold at full price and 19 596 at half price.

(b) Up to the end of October, the LCSD had sold over 30 000 monthly tickets, half of which were bought by senior citizens aged 60 or above. On average, ticket holders visited public swimming pools 22 times a month, mostly in the first session of the day (from 6.30 am to 12 noon). The number of admissions during that session
made up about 68% of the total number of admissions using monthly tickets.

(c) According to LCSD records, the total attendance at public swimming pools from July to September this year was about 5.1 million, an increase of 6.3% (about 300 000) compared to the corresponding period last year. During these three months, there were 149 sessions that reached maximum capacity, which is about 1.5% of the total number of public sessions, similar to the corresponding period last year. At present, public swimming pools have sufficient capacity to accommodate the increase in admission resulting from the introduction of the monthly ticket. The increase in patronage has not led to a situation whereby admission of swimmers to any swimming pool has had to be suspended due to the pool reaching maximum capacity.

(d) By the end of October, the LCSD had sold more than 30 000 public swimming pool monthly tickets, of which 37% were sold at full price and the remaining 63% at half price, indicating that the current pricing of the monthly tickets can meet the aims of easing the financial burden on regular swimmers and encouraging public participation in sport.

The LCSD will review the monthly ticket scheme having regard to the usage and operation of swimming pools and the number of monthly tickets sold, and will consider ways of encouraging more members of the public to buy monthly tickets.

Conveyance of Government Publicity Messages Through Media

19. **DR KENNETH CHAN** (in Chinese): President, while the Finance Committee of this Council has not yet approved the funding application relating to the Old Age Living Allowance (OALA), the Government has already been broadcasting an Announcement on Public Interests (API) recently on the electronic media to provide detailed information on OALA such as the eligibility requirements and enquiries hotline, and so on. Besides, while the Government has not yet made a final decision on the project of the North East New Territories
New Development Areas (NENT NDAs), it has recently been broadcasting an API on the electronic media to promote the idea that the project will provide a better living environment for the people of Hong Kong. Moreover, the Government has also placed a full-page advertisement in the press to explain briefly that the authorities will adopt transitional measures to relieve the problem of the temporary decline in Secondary One student population before its re-bounce. In this connection, will the Government inform this Council:

(a) of the respective broadcast hours of the APIs on the two aforesaid subjects so far; how such figures compare with the broadcast hours of government APIs on other subjects in the same period; and the percentages of such figures in the total broadcast hours of all government APIs in the same period;

(b) as some members of the public have relayed to me that it has all along been the Government’s practice to broadcast APIs on the details of a policy or measure only after it has been implemented, whether the Government has changed this practice; if it has, of the details of and reasons for the change; if not, the justifications for broadcasting the aforesaid APIs at the present stage;

(c) whether it has considered if broadcasting the API on OALA when Finance Committee is still considering the funding application will give the impression that the Government is trying to use public opinion to exert influence on the Legislative Council and will impact on the relationship between the executive authorities and the legislature; if it has considered such situations, of the reasons why the Government has nonetheless made such an arrangement; if not, the reasons for that; and

(d) of the justifications for the Government for placing the aforesaid advertisement in the press, as well as the expenditure on this; whether the Government had placed any advertisement in the press in the past five years for the purpose of explaining government policies; if it had, of the details and the expenditure involved?
SECRETARY FOR HOME AFFAIRS (in Chinese): President, my reply to four parts of the question raised by Dr Kenneth CHAN is as follows:

(a) The OALA TV Announcement in the Public Interest (TV API) was first broadcast on 19 October, while the two NENT NDAs TV APIs were launched on 24 October and 7 November respectively. All three APIs remain on air on five local TV stations with a total of 37 channels.

The OALA TV API has received an average of about 2.1 slots a day on each channel since its first broadcast, while the two NENT NDAs APIs combined have received an average of 2.6 slots a day on each channel. These three APIs are among more than 160 TV APIs covering over 60 different topics that are available for scheduling at the same time.

In percentage terms, the OALA API and the two NENT NDAs APIs have accounted for about 6.5% and 8% respectively of total free TV airtime over the same period, or 0.53% and 0.55% respectively of total free TV airtime over the past 12 months. As both issues are topical and rank high on the government's policy priorities, the allocation of airtime is considered to be very reasonable.

Other TV APIs receiving comparable exposure over the past month include those on the 2013 Policy Address and 2013-2014 Budget consultation, and the launch of the Employee Choice Arrangement of the Mandatory Provident Fund Scheme Authority.

(b) The Government informs the public about its policies and initiatives, or matters of concern to the general population through a wide range of publicity avenues. TV APIs, radio announcements and newspaper supplements are often used by the Government because they reach a wide cross-section of the community.

In determining whether or not to carry out publicity exercise and its scale, government bureaux and departments will consider such factors as whether it is in the public interest to do so; whether it
relates to issues of public concern; and whether it is directly related to government policies or policy objectives.

All three issues mentioned in the question — that is, OALA, the NENT NDAs and measures to cope with the declining Secondary One student population — are of considerable public interest, relate to government policy objectives and also involve the allocation of resources. As such, it is appropriate for the Government to inform the public about these matters by using TV, radio and newspaper media.

In the case of OALA and the NENT NDAs, both issues have generated much comment and public discussion. As such, the Government is obliged to clearly explain its policy objectives to the community so that the rationales behind the policy proposals, the benefits of them and the key features of the proposals, are well understood.

(c) We do not believe that informing the public about the proposed initiatives of the Government would have a negative impact on the relationship between the Administration and the Legislative Council.

(d) Newspaper supplements placed by the Education Bureau aim to inform the stakeholders and the public of the temporary decline in the number of Secondary One students in the coming few years, as well as a basket of relief measures proposed by the Education Bureau. This is not the first time the Government has explained its policies and initiatives through newspaper supplements or advertisements. Newspaper supplements had been placed for other topics previously.

Publicity through newspaper supplements is not arranged in a centralized manner but rather by individual bureaux and departments. Advertising rates for supplements vary from paper to paper, and the related expenses have been met by recurrent expenditure of individual bureaux. We have not compiled statistics on the amount of expenditure incurred by various bureaux and departments of placing advertisements in newspapers over the past five years.
Identification of Sites for HOS Projects

20. **MR LEUNG CHE-CHEUNG** (in Chinese): President, it has recently been reported in the press that as the foundation works of the Home Ownership Scheme (HOS) project at Wang Yip Street West, Yuen Long (Wang Yip Street West project) have been affected by some cavern problems, it is necessary to reduce the scale of the housing estate. As a result, the number of flats to be provided in that housing estate will be 20% less than the original estimate, affecting the quantity of HOS flats to be supplied. Moreover, the building blocks in Kam Fung Court, Ma On Shan had cavern-induced unusual settlement after residents had moved in. In this connection, will the Government inform this Council:

(a) of the site identification process for HOS projects; apart from the six sites already announced, whether the Government has made any new progress in identifying sites for HOS projects;

(b) whether it has assessed if the aforesaid problem of the Wang Yip Street West project is attributable to the fact that the underground investigation work was not done thoroughly during the site identification process; in view of the exceptional circumstances of the HOS project, whether the Government will extend the structural guarantee period for the housing estate concerned; and

(c) of the measures adopted and the amount of resources deployed by the Hong Kong Housing Authority (HA) to tackle the aforesaid problem at Kam Fung Court?

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, my answer to Mr LEUNG Che-cheung's three-part question is as follows:

(a) The Government has announced plans to provide about 17 000 HOS flats over four years from 2016-2017 onwards. The resumption of HOS has been a regular part of the Government's housing policy. Apart from the six announced sites, the HA is working with other government departments and bureaux to actively identify suitable sites for HOS development in different parts of the territory and from
various medium and long-term housing studies. We will consult the relevant district councils and the local community on individual HOS developments as appropriate.

(b) Most areas of Yuen Long district are located within the "Scheduled Area" in the Buildings Ordinance, meaning that there are complex ground condition with possible marble cavity at the locations. The Yuen Long HOS site at Wang Yip Street West is also within the "Scheduled Area". During site identification for the HOS development, the HA made reference to the Solid and Superficial Geology Map published by the Geotechnical Engineering Office, and the GI information from the adjacent developments, so as to identify possible geotechnical problems as early as possible. However, even with careful site identification, it should be noted that the extent and effect of marble cavity often vary greatly at different locations, and can only be ascertained by detailed ground investigation. Following the resumption of the HOS, the HA immediately commenced site specific GI works for the Yuen Long HOS site at Wang Yip Street West. The detailed GI results have subsequently revealed that the marble on the site has a karstic upper surface with solution features, and there are cavities within marble in some locations.

The karstic upper features and cavities in marble will affect the load carrying capacity of foundations and their design, and in turn would affect the architectural design and building disposition. In the foundation design, the HA will take into account the geological characteristic, including the occurrence of marble cavities, and will ensure full compliance with all the prevailing regulations and standards to ensure safety and quality. We have engaged expert consultants to provide advice, selected the most suitable foundation design and construction methodology and adopted enhanced superstructure design to maximize flat production under the overriding principle of safety and cost-effectiveness. The safety of the foundation and building structure of the Wang Yip Street West HOS project has been thoroughly addressed and upon completion, the foundations will be to the same standard as any other HOS development.
In order to provide assurance to HOS owners, the HA will continue to provide a 10-year structural guarantee to all newly completed HOS developments.

(c) Ground settlement usually occurs at newly reclaimed land due to the consolidation of underlying compressible marine mud deposits. In the case of Kam Fung Court in Ma On Shan, the problem of ground settlement is due to residual consolidation of compressible marine mud after reclamation, rather than the presence of karstic upper features and cavities in marble. As the buildings of Kam Fung Court rest on pile foundations carried down to competent bedrock, ground settlement at external areas will not affect the structural integrity of the buildings. Since the conditions on the site have stabilized and ground settlement reduced, minor maintenance works for the external areas and utility services are being carried out. As for the Tung Tau Yuen Long HOS Development, the site was formed in early 1980s. According to our geotechnical appraisal, there will not be significant ground settlement upon building completion.

MOTIONS

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance to approve the Pharmacy and Poisons (Amendment) (No. 3) Regulation 2012 and the Poisons List (Amendment) (No. 3) Regulation 2012.

I now call upon the Secretary for Food and Health to speak and move the motion.

PROPOSED RESOLUTION UNDER THE PHARMACY AND POISONS ORDINANCE

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed.
Currently, we regulate the sale and supply of pharmaceutical products through a registration and monitoring system set up in accordance with the Pharmacy and Poisons Ordinance. The Ordinance maintains a Poisons List under the Poisons List Regulations and several Schedules under the Pharmacy and Poisons Regulations. Pharmaceutical products put under different parts of the Poisons List and different Schedules are subject to different levels of control in regard to the conditions of sale and keeping of records.

For the protection of public health, some pharmaceutical products can only be sold in pharmacies under the supervision of registered pharmacists and in their presence. For certain pharmaceutical products, proper records of the particulars of the sale must be kept, including the date of sale, the name and address of the purchaser, the name and quantity of the medicine and the purpose for which it is required. The sale of some pharmaceutical products must be authorized by prescription from a registered medical practitioner, dentist or veterinary surgeon.

Arising from an application for registration of two pharmaceutical products, the Pharmacy and Poisons Board (the Board) proposes to add the following two substances to Part I of the Poisons List and the First and Third Schedules to the Pharmacy and Poisons Regulations:

(a) Eribulin; its salts; and

(b) Spinosad.

Pharmaceutical products containing the above substances must then be sold in pharmacies under the supervision of registered pharmacists and in their presence, with the support of prescriptions.

For amendment regulations concerning the adding of two substances to Part I of the Poisons List and the First and Third Schedules to the Pharmacy and Poisons Regulations, we propose them to take immediate effect upon gazettal on 23 November 2012, to allow early control and sale of the relevant medicine.

The two Amendment Regulations are made by the Board, which is a statutory authority established under the Ordinance to regulate pharmaceutical
products. The Board comprises members engaged in the pharmacy, medical and academic professions. The Board considers the proposed amendments necessary in view of the potency, toxicity and potential side effects of the medicine concerned.

With these remarks, President, I hope Members could support the motion.

Thank you.

The Secretary for Food and Health moved the following motion:

"RESOLVED that the following Regulations, made by the Pharmacy and Poisons Board on 30 October 2012, be approved —

(a) the Pharmacy and Poisons (Amendment) (No. 3) Regulation 2012; and

(b) the Poisons List (Amendment) (No. 3) Regulation 2012.

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Food and Health be passed. Will those in favour please raise their hands?

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

(No hands raised)

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): First Member's motion: Mr Andrew LEUNG will move a motion under Rule 49E(2) of the Rules of Procedure to take note of Report No. 4/12-13 of the House Committee laid on the Table of the Council in relation to the Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences.

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

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

MR ANDREW LEUNG (in Cantonese): President, in my capacity as Chairman of the House Committee and pursuant to Rule 49E(2) of the Rules of Procedure, I move that the motion, as printed on the Agenda, be passed to enable Members to debate Report No. 4/12-13 of the House Committee on the subsidiary legislation and instrument(s) in relation to the Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences.

I so submit.

Mr Andrew LEUNG moved the following motion:

"That this Council takes note of Report No. 4/12-13 of the House Committee laid on the Table of the Council on 21 November 2012 in relation to the subsidiary legislation and instrument(s) as listed below:
Item Number | Title of Subsidiary Legislation or Instrument
---|---
(7) | Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences (S.S. No. 5 to Gazette No. 42/2012).

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

MS CYD HO (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences, I now report on the results of the deliberations made by the Subcommittee.

The Subcommittee has held one meeting to discuss the related matters and completed the deliberations. The Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences (Third TM) seeks to tighten the emission allowances for the two power companies as from 1 January 2017 to improve air quality. The emission allowances are applicable to three specified pollutants, that is, sulphur dioxide, nitrogen oxides and respirable suspended particulates.

The Subcommittee has discussed how the quantities of emission allowances to be allocated to the four existing electricity works (that is, the Lamma Power Station and Lamma Power Station Extension, the Black Point Power Station, the Castle Peak Power Station and the Penny's Bay Gas Turbine Power Station) of the two power companies under the Third TM are determined.

The Administration has explained that in determining the emission allowances under the new TM, it has made reference to a number of considerations, including the best practicable means for electricity works to reduce emissions by using more low emission coal, upkeeping the performance of the existing emission control equipment, and the electricity intake of renewable energy (RE) and waste-to-energy (WTE) facilities in order to reduce emissions.
The Administration has provided a mechanism in the Third TM for ascertaining the emission allowances for each of the electricity works according to the actual annual intake of the electricity generated from RE and WTE. Members have expressed concern about the lack of initiatives in the Third TM to encourage the two power companies to achieve emission reduction by promoting energy conservation. The Administration has explained that while energy conservation is not one of the direct technical considerations in setting the emission caps in the Third TM, the Government has taken various measures to encourage energy conservation as demand-side management, including the provision of financial incentives to encourage members of the public and non-government organizations to reduce energy consumption.

The Administration has also advised that the electricity demand in the last two years was on an upward trend. The Administration will monitor the change in demand and take this into account when reviewing the Third TM for further tightening the emission caps. If the overall electricity demand falls, there will be a case to reduce the emission caps in the new TM.

Members have expressed concern about the cost implications of the Third TM on electricity tariff due to the increased use of cleaner fuels (such as natural gas and low emission coal) and RE by the two power companies. The Administration has advised that achieving the proposed emission caps starting 2017 does not involve new capital investment by power companies. Also, the Third TM has not proposed any significant change to the fuel mix of the power companies as compared to the Second TM. Hence, there should be no question of the power companies having to increase electricity tariff in order to meet the tightened emission requirements under the Third TM.

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

According to the Administration, investment of the two power companies in RE currently accounts for less than 1% of their respective total asset value and the impact on overall costs of electricity generation is negligible. The Subcommittee has noted the response from the Administration and it will not make any suggestions to amend the Third TM.
Deputy President, the following are my personal views on the Third TM.

With respect to emissions from power companies, no matter if they are the three types of specified pollutants or the overall carbon emission, they take up a very high proportion of exhaust emissions in Hong Kong. Global carbon emission has brought about climate change which affects food prices. We cannot be immune from these effects because most of the food consumed here is imported. So speaking both from the perspective of Hong Kong's own interest or from that of being members of the international community, we should pay a high degree of attention to the emission of pollutants by the two power companies and we should co-operate in terms of public governance, policies and our own lifestyle in order to reduce emissions by all means.

With respect to the Third TM, the authorities have consulted the Subcommittee on Improving Air Quality of the previous-term Legislative Council. I wish to thank Members of the Subcommittee on Improving Air Quality of the previous-term Legislative Council and in particular, Mr KAM Nai-wai and Ms Audrey EU. They worked with us on the issue of the time limit for reviews of emission allowances to lobby the Bureau for shortening the time limit for such reviews to two years. The recommendation concerned is given effect in the Third TM.

Using cleaner fuels, signing new agreements on natural gas, investing in RE, and so on, will lead to high costs of power generation. The Government has said that the new emission allowances as found in the Third TM will not lead to any change in the fuel mix, hence there will not be any increase in costs. This is wrong because costs have increased as seen in the new natural gas agreements signed by the power companies as compared to the old natural gas agreements. However, we need to raise the air quality in the region. If the amount of power consumption remains the same or even increases, we would certainly need to make investments. And we should be more honest and admit that costs will increase and this may exert pressure on the household expenses of the grass-roots families. So if we can use energy conservation as a means of reducing emission, this can also be effective and feasible.

There are many ways of energy conservation. The first kind is to make use of new technology and equipment, such as new household appliances which can save on energy or new lighting equipment which can achieve the same kind
of illumination but save much power. We can also change the way of doing business such as enacting laws to prohibit unnecessary lighting for advertising from being turned on overnight. We can also change our personal habits to achieve the aim of energy conservation. This kind of changes in ways of doing business and personal habits will not require any large amount of capital investment and the desired results can be achieved.

The Subcommittee has made some proposals in the meetings on reviewing the electricity tariff structure. It is suggested that a progressive approach should be used to link the unit price with power consumption in a direct proportion, that is, the more power is consumed, the higher will be the unit price. The less power is consumed, the lower will be the unit price. This is meant to be an incentive for energy conservation. However, the Government has advised that this is not a direct technical factor to be considered and so refused to include this as issues to be considered in the context of the Third TM.

There is a need for good skills in managing behaviour. Behaviour management will entail low costs while the efficiency so achieved is high. The Subcommittee considers that there is no reason for the Government to reject such a factor like behaviour management. We therefore hope that when a review is undertaken two years afterwards, the issues of ways of doing business and personal habits should be considered.

Deputy President, this Third TM will come into force from 2017 to 2020. It lists the emission caps applicable to power plants such as Hongkong Electric's Lamma Power Station, the CLP Power's Black Point Power Station, Castle Peak Power Station and Penny's Bay Power Station. But Table 3 of the Third TM mentions the emission allowances for the new electricity works. I asked in one of the meetings whether new power generation facilities or new works would be built in Hong Kong. At that time the officials replied that it was very difficult to find land in Hong Kong to build a large power generation facility. The chances of building a new power station in the next five years starting from now are really not great. However, the paper released yesterday says that there may be new entrants to the power market in 2018 and this oligarchy will be shattered. We are baffled all the more because we do not know where the power generation facilities for the new market entrants will be placed. There has got to be some new works and are they in Hong Kong or outside the territory? About the type
of power generation used, will it be nuclear power which we worry so much about? These are matters of concern to the public.

On 6 November, that is, when the Subcommittee held its first meeting to deliberate on the matters, we raised this question. At that time, the officials told us there was no chance for new works projects to be carried out. When it is only two weeks between 6 November and 20 November which is yesterday, I cannot help but question why in just a matter of two weeks, the authorities have talked to this Council and the public in such vastly different ways. Is it because those officials who came to the meeting of the Subcommittee on 6 November do not belong to the centre of power and they are unaware of such policy being in the pipeline or if there is a deliberate attempt by the authorities to cover things up?

Deputy President, during the next couple of years, the authorities will negotiate with the two power companies their Scheme of Control Agreements and the next TM on emission allowances will have to be discussed by 2014. I urge the authorities to remember that there must be transparency in governance. Of course, we would welcome any new policy, or the introduction of any new supplier or power company to shatter the oligarchy. But the public is very much concerned about the relevant mode of operation and how regulation is to be effected.

I therefore urge the authorities to bear in mind that they should discuss new policies and new measures well in advance with the people and they must never do anything like the colonial administration in the past, that is, breaking the news to the public only after signing profit guarantee agreements with the two power companies. And if that happens, nothing can be changed no matter how furious the people are and how they will object to it. I urge Secretary WONG Kam-sing to respond specifically to this point when he replies later.

Thank you, Deputy President.

MR WU CHI-WAI (in Cantonese): Deputy President, with respect to what the Chairman of the Subcommittee on Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences (Third TM) has said on the many views put forward by Members, I wish to present our view on the failure to include the concept of energy saving and emission reduction in the
Third TM. I hope that Secretary WONG Kam-sing can make a response to this point in a stronger and clearer manner.

Speaking of the tariff structure of the two power companies, it is obvious that there exists an incentive for massive power consumption. And owing to the subsidy on electricity tariff made by the Government in the past two or three years as well, it can be seen as both an objective fact and also in the figures that power consumption has really increased. It can be seen from these two pieces of data that it is an effective method to improve the performance in energy saving and emission reduction by changing the tariff structure to influence power consumption and energy saving. But when we discussed the idea in the Subcommittee, the representatives concerned said that it was not possible to include the idea in the Third TM. First, I was certainly very disappointed. Second, this shows it is doubtful as to whether the authorities are determined to bring about improvement in air quality by causing changes in behaviour.

In fact, the recent report of the Audit Commission has pointed out that there is a great shortfall when this kind of objectives is really enforced. Those objectives which are really achieved in the end might only be just 25% of the total. This shows that the result produced may not be that powerful if we just rely on some improvements to the hardware or government policies on promotion or incentive. But by changing the tariff structure and effecting a change in the mode of power consumption and behaviour of the public or commercial and industrial organizations, changes can be made to power consumption effectively. In turn, this is also a good thing for the public. It is because the power plants are no longer justified to make an excuse and say that owing to increases in power consumption in the next couple of years, there may be a need to inject more resources and so electricity tariff will be affected.

Secretary, I therefore hope that a clear-cut reply on this can be given by the Bureau. Although we know that the idea cannot be included in the Third TM on this occasion, we hope that something can be done through other channels such as by introducing some administrative measures by the Bureau and the two power companies. This is especially the case with the impending interim review. We hope that during the interim review, something can be done to change the tariff structure and hence the consumption behaviour of the people. In this way, they will use less electricity and the two power companies will therefore generate less
power, hence improvement can be seen in air quality. I hope very much that the Secretary can give a clear reply on that. 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 spoken on this subject. I now call upon the Secretary for the Environment to speak. After the Secretary for the Environment has spoken, this debate will come to a close.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I am very grateful to Members of the Subcommittee and other Members for their support for our attempt to further tighten the emission caps of the power plants in order to improve the air quality in Hong Kong. By passing the Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences (Third TM), the Council helps the further reduction of emissions from the power generating industry from 2017 onwards. As compared to the Second Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences which will come into force in 2015, the emission allowance for sulphur dioxide will be reduced by 17%; that for nitrogen oxides by 6% and that for respirable suspended particulates by 10%.

Some Members have made valuable suggestions on the Third TM and the improvement of air quality. These include electricity tariff, energy conservation and our attitude on low-carbon life, as well as the concern for the manner of doing business and improvement of air quality. We will give serious thoughts to these. Although these concerns may not be addressed in this TM, we will consider Members' views very carefully in the relevant forums and use them as reference in the relevant work later on.

We need to have the support of this Council and people from all sectors across society if we are to improve our living conditions and air quality. In the future, we will look for ways to collect the views of Members and people from all quarters. We will make our work more transparent and engage the people in the
hope that we can get more support from Members for our new initiatives in improving air quality. As for a concrete response to that, I believe there will be a fuller dialogue in other forums to address the concern of Members.

Deputy President, I wish to thank the Chairman and members of the Subcommittee once again for their very efficient work, as well as the views from Members and their support for the Third TM. I so submit. Thank you, Deputy President.


DEPUTY PRESIDENT (in Cantonese): The second and the third Members' motions. These are two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

DEPUTY PRESIDENT (in Cantonese): Second Member's motion: Buying back the shares of The Link.

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

I now call upon Mr LEUNG Kwok-hung to speak and move the motion.

BUYING BACK THE SHARES OF THE LINK

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, I move that the motion as printed on the Agenda be passed. The Link is going to be seven years
old because on 25 November 2005, the Government chose to give Hong Kong people a big present — the Government thought that it was a big present. Back then, 230 000 retail investors subscribed for the shares of The Link, accounting for 30% of the total amount of the shares issued. The Government eventually changed its mind about keeping a strategic shareholding of 9.9% and sold all the shares to Hong Kong people. The then Financial Secretary, Henry Tang, was immensely complacent as he eventually managed to achieve the listing of The Link after a year's struggle. He said that the listing of The Link was proof that the Government was right in upholding the market-led principle, and he hoped that The Link could continuously co-operate with the tenants, in order to add value for the shareholders of The Link. Had Henry Tang had the courage to say, "You liar!", back then, the situation would not have become so disastrous as it is now. He did not say it perhaps because he really did not know it or he intended to deceive the people and claim credit for this achievement. What has happened now? Seven years have passed and the number of retail investors with less than 10 lots of shares account for less than 2% of all units in issue, whereas four overseas investment banks and fund companies have acquired 30% of the shares.

Members, the Government ignored the opposition from Members (including me) and brazenly sold the assets of the Hong Kong Housing Authority (HA), which were the assets of the people, at knock-down prices. The consequences are very clear now. As a result of the outsourcing arrangements, security guards, cleaners and workers who take up other jobs in the shopping arcades of The Link are deprived of protection. Were it not for the saving grace of the minimum wage, these workers hired for outsourced jobs under The Link would be paid at a minimum hourly rate of $18.8 for an average of 11 to 12 hours daily two years ago. We can take the Government to task for outsourcing its jobs, but we can only feel helpless about the outsourcing of jobs by The Link.

When The Link increased the rentals, great distress and despair was seen just everywhere, as a large number of small and medium enterprises (SMEs) were driven away from the shopping arcades in public housing estates. When it comes to expensive commodity prices, Tin Shui Wai is hit the hardest, and even Leung Chun-ying has made the same point. Even for districts that are not hard hit, their situation is just the same because chain stores have taken up a share exceeding 50% of the shopping arcades under The Link, and their dominance will only be ever growing. The Link has not only encroached on car parks and
shopping arcades of the HA estates, it has also purchased shops outside the HA estates, and shops currently owned by The Link account for more than 10% of all shops in Hong Kong, and its share will be reaching 20% soon.

I am not going to pour out grievances here, because I know that there will be people pouring out grievances later as everyone will find the situation woeful. At the car park of the former Legislative Council Building on 1 January 2005, a few thousand people — I would not call them rioters — said to me, "Hey, 'Long Hair', do not get in our way to riches. Stop putting up objection, so that the listing of The Link can happen." Today, I have resorted to filibustering in order to stop the Government from implementing draconian policies that will cause divisions among the elderly; I have resorted to filibustering in order to urge the Government to provide a roadmap to show when the elderly in Hong Kong can enjoy universal retirement protection. I have been working for these causes for almost seven years, and I have come to realize that the Government has all along been cheating Hong Kong people in this way. But people who wrongly voted in support of the Government do not have to feel remorse, and among these people there are certainly members of the Democratic Alliance for the Betterment and Progress of Hong Kong.

When it comes to the buy-back, many people have said that "Long Hair" is crazy, for a buy-back is not feasible. But Dr LEUNG Ka-lau did ask the Government to buy back the shares of The Link in December 2008. It was opportune to make a buy-back at that time because the financial turmoil had caused the share price of The Link to drop drastically. The share price had taken a nose-dive then but the Government did not do anything. Today, the Government is telling us that the share price of The Link has risen to $30 and asking: Will The Link not stand to gain from a buy-back at this time? But the Government did not buy it back when its share price plummeted. So, the point is not about how high the share price is, but the Government primarily has no intention to buy it back, true to the so-called "big market" principle upheld by the Government. However, this is not consistent with what the Government did in another case. In the case of the Hong Kong Exchanges and Clearing Limited (HKEx), John TSANG bought its shares at high prices to protect the interest of investors. It is really doing whatever it likes. The Government does not have any logic to go by. The so-called financial discipline is entirely deceptive, and this is why it is feasible to buy the shares of the HKEx but not the shares of The Link.
Moreover, my proposal of buying back no less than 25% of the shares of The Link is actually simple. Under the relevant ordinance governing the listing of The Link, holders who hold 10% of the shares can convene a meeting in person or by proxy, and a meeting requires a quorum of holders holding 25% of the shares. It means that with 25% of the shares, a meeting can be convened to make a decision anytime, and this is a way to hold back The Link a little. If a financial turmoil really takes place again — take it as a blessing in disguise — the Government can buy its shares at low prices, seizing the opportunity to strike at The Link and forcing it to sell its shares. But can this be achieved if the Government does not have the will to do so?

LEUNG Chun-ying said that consideration would be given to developing shopping arcades in order to strike a balance. Who needs to hear it from him? The Queen's Counsel from the United Kingdom hired by the Government in the lawsuit in the Court of Final Appeal (CFA) on the listing of The Link already made similar remarks. On 5 July 2005, in order to deceive the Judges of the CFA, this London Silk said that even if the HA had divested the shopping arcades and car-parking facilities in public housing estates to The Link through its listing, the HA could continue to discharge its statutory duty under the Housing Ordinance to ensure that public housing residents could access facilities that should be provided to them. He told the CFA that if public housing residents considered the facilities provided to them inadequate after the listing of The Link, the HA could still take other counter-measures. For example, the HA could consider providing free transport to take residents to places where the facilities are considered more satisfactory by the residents, or the HA could convert the lower storeys of public housing blocks into shops to increase the provision of retail facilities, and the HA could even consider developing new shopping arcades or providing shops operated by the HA to ensure that the residents are provided with facilities suitable for them. These are cited from the reports in Ming Pao Daily News on 6 July 2005.

That Queen's Counsel had lied to the CFA. Even if he did not lie at the time, what he said is definitely a lie seven years later because the HA and the Government have not in the least taken any of these measures that I have just cited. These CFA Judges are fools indeed. The Government can say just anything casually because the Government has no integrity to speak of. What LEUNG Chun-ying has said should have been done a long time ago, and had that been done, the share price of The Link would have been brought down and the
opportunity should have been seized to buy it back. But what has the Government done? It is even opposing my motion today. What has the Government done? It has failed to do what was said in court back then, and this LEUNG Chun-ying even thinks that he has a run of good luck.

I have set aside five minutes of my speaking time for me to refute the comments made by others. Therefore, I shall stop here for the time being. I know that many people are already gossiping.

Thank you, Deputy President.

Mr LEUNG Kwok-hung moved the following motion: (Translation)

"That, since the listing of The Link Real Estate Investment Trust (The Link) on 25 November 2005, The Link Management Limited has enjoyed an absolute geographical advantage in public housing estates in that rentals of its retail shopping arcades and car parks have continued to increase, and it has monopolized the retail facilities in the districts concerned, leaving residents with no other choices; the Chief Executive, LEUNG Chun-ying, undertook during his election campaign that he and the Bureau Director responsible for housing matters would study the identification of sites in public housing estates for the construction of government-managed commercial facilities to curb exorbitant prices, and he also said publicly that the buying back of the shares of The Link could be studied; the Chief Executive has assumed office for more than 100 days, but no follow-up has been taken; in this connection, this Council urges the Government to balance the community interests at large on the issue of rental of public housing shopping arcades, and consider various feasible means to buy back a total of no less than 25% of the shares of The Link to become the major or sole shareholder, so as to exercise influence on The Link Management Limited, making it give consideration to corporate social responsibility."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEUNG Kwok-hung be passed.
DEPUTY PRESIDENT (in Cantonese): Three Members wish to 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 Miss CHAN Yuen-han to speak, to be followed by Mr LEUNG Che-cheung and Dr KWOK Ka-ki respectively; but they may not move the amendments at this stage.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, sometimes I do have a lot of feelings. Two months ago during the election, many people talked about The Link, and it became a very important issue in our election campaigns. Back then, some people held the misconception that the Federation of Trade Unions (FTU) supported the listing of The Link, and I find this laughable indeed. What I very much wish to say is: Why were some people so anxious about how the voters would vote? It is because the numerous residents who live in public housing estates and shop tenants in shopping arcades managed by The Link are all very angry. I often have to handle these cases. Why is there this situation? Everyone was so concerned about who was going to vote. It is because if we supported the listing of The Link back then, it means that we had done something which is most unfair to all grass-roots people and small business operators. So, today, I have risen to speak out of a sense of justice.

What I wish to say mainly is that the FTU has all along opposed the listing of The Link. Members can see this if they look up the papers. For example, we supported Mr Albert CHAN's motion in 2005. Another example is that a relevant organization had invited me to write an article at that time and so, I talked about The Link in the book "Who sold out Hong Kong — Pondering over the incident of The Link", in which an article by "old auntie LO" was also included. In my article I said that we did not support the listing of The Link and cited examples to explain that the listing of The Link would certainly give rise to the series of problems that we have seen today.

The Government said at the time that the Housing Authority (HA) had given its approval and lobbied support from the Legislative Council. But all the undertakings have not been honoured, resulting in such strong opposition to the listing of The Link in society nowadays. I have another book with me that I wish to introduce to Members, but I am not going to take it out now. In the
article written by me in this book, I said that in the face of many public housing residents, the Government, when developing public housing, had promised that the shopping arcades would be meant for spending by the grass-roots people. But if they would be operated by a listed company, which would operate on commercial principles, how could this take care of the grassroots? The Government did not believe us, paying no attention to us no matter what we said. Now that we have all seen it. It is entirely going against the mode of operation which aims to serve residents in public housing estates. The *modus operandi* that relies on grass-roots spending has vanished.

Deputy President, you should know that there is a Sun Tin Wai Estate. My colleague, Mr IP Wai-ming, had led a group of residents who wanted to express their views to meet with the Government. It was mentioned that the shopping arcade located on the hill had been converted into a residential care home for the elderly because business was slack. What can the elderly inmates do? As Sun Tin Wai Estate is located on the hill, they have to go downhill to do shopping, and an elderly lady even died of heat stroke. These are the countless examples that we have seen in public housing estates. When they want to buy a dustpan, a broom, or joss sticks and candles, there is just nothing around, and all that remains is a supermarket. Strictly speaking, it appears that the Government is collaborating with the consortiums to monopolize the market. The Government had promised the public housing residents when they moved into these estates that there would be places for spending by the grassroots, but what happened then? All the promises have not been honoured. None of it has been honoured over the years.

So, in view of such a situation, I would like to introduce another book to Members. I found that advertisement most laughable the moment I saw it. I mean the advertisement on "Link the Tastes" put up by The Link near the tunnel. As we all know, some people nowadays very much like those kinds of food in the good old days and so, The Link was saying that people could go to its shopping arcades to trace the tastes of the old days. What tastes of the old days are there for people to trace? It is actually driving out all the small shop tenants ruthlessly, and we can no longer find any shop selling traditional goods there. I wish to bring this point to the attention of the new Secretary, and he must understand what is happening now. This is why when the advertisement on "Link the Tastes" was published, to put it plainly, it aroused severe criticisms from the netizens and the promotional programme was subsequently withdrawn.
I also criticized it in my column. It is unacceptable if the Government still turns a blind eye to the current situation.

Deputy President, I think I am a person of strong principle. I buy stocks. Some people asked me whether I have bought the shares of The Link. I told them that I would not buy its shares, and I have not bought any so far. Some people said that if I had bought its shares, then I could attend its shareholders' meeting and challenge the company in my capacity as a shareholder. I will not do it. I will criticize it on public occasions. Of course, I do respect the many members of the public who have bought the shares of The Link. My position is that although the share price of this company, which started at a very low level, has increased to a very high level now, I think buying its shares is still against my principle. Having said that, I respect other people. What I mainly wish to say is, our discussion today is to point out that there is nowhere for spending by the grassroots and that small business operators have been mercilessly driven away, but the Government has not done anything so far and we, therefore, propose that the Government should buy back The Link.

What happens if a buy-back takes place? While I am no expert on this, I understand that if some people wish to buy back a certain product in the market, its share price will surge, and we fully understand this. But it does not mean that the Government can do nothing. When there are a lot of voices calling for a buy-back, and as this issue is under discussion in the Legislative Council today, the Government should make preparations financially or carry out necessary preparatory work or do what it has promised the Legislative Council to do before. For example, when small shop tenants are driven away, the Government should, just as LEUNG Chun-ying has said, develop inexpensive shopping arcades in the vicinity to accommodate these small shop tenants because if The Link frantically increases the rentals, this can at least enable these tenants to do business in another place. This can also deter The Link from being so domineering in the market to the neglect of the people, and when there are other marketplaces and public markets where less expensive goods are sold, conflicts can be eased and the rentals will not surge to such exorbitant levels. Certainly, the Government must not only target The Link, as other places with high patronage should also be taken into consideration. I am not going to talk about this today, but the principle is just the same. Therefore, there are things that the Government must do during the transition period. It should do these things properly before the
buy-back, so that the shopping arcades will not be as deformed as they are now and the prices will not be so exorbitant.

Another point is that in the light of the current circumstances, the Government must ensure a better environment for the people. Our view is that The Link has performed so badly and should be bought back, and this aside, what the Government should also do is to carry out remedial works at housing estates where problems have already emerged. But the Government has failed to do so. An example is public housing estates located on hills as I have mentioned. The Government said that it is difficult to identify land, but it should at least put across a message. With regard to these public housing estates located on hills, actions must be taken immediately since they are already sold. There is actually a lot of space on hills. Has this been done? The Government has not done it. What I am trying to say is that the Government must realize that if it does not take any action, those people behind The Link who are so good at financial skills would be able to do anything, including touching up the financial accounts, and now, it is still driving small shop tenants away.

Deputy President, I have recently come across a lot of cases in relation to The Link. One of these cases concerns a mushroom-shaped kiosk in Lower Wong Tai Sin Estate. It is learnt that The Link is trying to drive away the small stall tenant who has operated the kiosk successfully by increasing the stall rental substantially because the operator has been successful. We have helped bringing about a lot of improvements in the business environment of small shop tenants and so, they have been doing quite well. But the problem is that when the business of small shop tenants is good, The Link will plan to drive them away. I wish to tell the Secretary that these cases have happened one after another, and if he continues to neglect this situation, a lot of problems will arise disregarding whether or not it will be bought back.

A shop tenant who was confident in shopping arcades managed by The Link had advised other tenants to carry out refurbishment works at their shops, but he was eventually accused of siding with The Link in deceiving people, and this representative of the shop tenants was forced to jump from a height in the end. Deputy President, I am acquainted with him. If the Government still takes no action today, I think it is very unfair. Therefore, I have included three points in my amendment. I call on the Government to promptly provide markets in the vicinity of facilities managed by The Link, such as providing provisional
markets on the hills expeditiously, so as to provide room for small business operators to do business and to survive. This way, the tenants would not be ruthlessly driven away and the shopping arcades would not be turned into "dead malls". Deputy President, there are many "dead malls" now, and shopping arcades with slack business will be converted into residential care homes for the elderly. How can they do this? We can find a lot of these examples particularly in housing estates located on hills, such as in the area around Hing Tin Estate. I really do not wish to name these examples one by one. When it comes to the "sins" of The Link, the list is really inexhaustible.

Moreover, I wish to talk about a situation concerning the residents and small shop tenants. When the Government encounters problems in the process, it can actually provide assistance to shop operators in many ways to ensure their commercial viability. I do not wish to see any more cases like that of Sun Tin Wai Estate. I also wish to tell Members that in my former constituency, namely, Kowloon East, all the public housing estates are actually built along the hillside. Many residents are waiting for government assistance to help them go downhill for shopping. Can shuttle buses be provided to help these residents of public housing estates? Why should be they driven to places where expensive goods are sold and why should they be driven to patronize supermarkets? Why do we not allow room for the survival of small business operators? Why, why, why …… There are countless "whys". My colleague, Mr WONG Kwok-hing, will talk about the history later on. The FTU has all along opposed the listing of The Link, and we did point out in the process the many problems that we have seen today, and they have finally emerged now. Therefore, I wish to tell the Secretary that they are wrong, wrong, wrong. If the Government still does not do anything, it will continue to be wrong, and the grass-roots people and small business operators will have to face these plights continually.

Deputy President, I hope that a good conclusion can be drawn from our discussion today. I also hope that the other political organizations will not be so particular about certain wordings. Of course, today's original motion is not proposed by me, but I hope that in the end, our (The buzzer sounded) ……

**DEPUTY PRESIDENT** (in Cantonese): Time is up.
MISS CHAN YUEN-HAN (in Cantonese): …… well-intentioned amendment will have Members' support. Thank you.

MR LEUNG CHE-CHEUNG (in Cantonese): Deputy President, in 2003, Hong Kong suffered a double-blow from the Asian financial crisis and the SARS, and the economy was left in a slump. Back then, the Housing Authority (HA) ran into financial difficulties after the cessation of the sale of Home Ownership Scheme (HOS) flats and public rental housing (PRH) flats. Against this background, the HA at the time passed the proposal of divesting its commercial properties. It was hoped that by withdrawing from commercial operation, the enhancement of the cost-effectiveness of commercial facilities and capital financing, the HA could focus its effort on maintaining the three-year allocation target for applicants on the PRH Waiting List. This was the background of the listing of The Link in 2005 and the reasons for the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supporting the listing of The Link in the past.

Regrettably, despite the improvement of the financial position of the HA and the cost-effectiveness of the operation of commercial facilities after the listing of The Link, the only concern of The Link Management Limited (The Link Management) has been maximizing its profit. As such, rentals were increased every year, causing small shop tenants to complain and go on business strikes in succession. In certain districts where PRH estates are concentrated, such as Tin Shui Wai, markets are monopolized by The Link and residents have no choice but to put up with the expensive prices of food and vegetables.

As The Link has simply ignored its corporate social responsibility and turned a blind eye to the affordability of small shop tenants, it has been increasing rents incessantly and even refusing to renew tenancies, thus driving the long-established shops in PRH estates out of business. The DAB is extremely dissatisfied with this practice. Due to the monopolization of shopping arcades and markets by The Link in certain districts, prices are pushed up in those districts, and the DAB has led residents and tenants to stage marches and protests to express their discontents. However, the listing of The Link is an unchangeable fact, like water splashed. We may want to break the monopoly of The Link, provide more choices in shopping and expand the room of business for small tenants, but the buy-back arrangement may not be the best option and it
may not necessarily be practicable. Hence, the DAB disagrees with this approach.

First, once The Link is listed, it has become a 100% private organization, which market value exceeds $90 billion at present. If the Government is to buy back the shares of The Link, be it 25% as proposed in the original motion or 100% as proposed by certain Members in the past, a colossal amount of public funds must be involved. Based on the unit price of The Link in recent years, which stands around $40, and the 2.3 billion units issued, it is estimated that the Government will at least have to spend $23 billion if it has to buy back 25% of the shares. If it is a 100% buy-back, the Government will have to spend nearly $100 billion at least. Be it a 25% or a 100% buy-back, tens of billion dollars of public funds will be involved, discounting the variable that its share price will rise in speculation at the time. This will definitely arouse a great controversy in society.

In fact, any attempt to influence the decision of The Link Management by means of buying back The Link will encounter considerable difficulties. Apart from money, the relevant terms and conditions of the trust are also a cause of concern. The Link is a real estate invest trust, and the trustee and the manager are bound by the Trust Deed and the Code on Real Estate Investment Trust (the Code), which stipulated clearly that the main objective of The Link is to provide to unitholders returns derived from rental income. Even if the Government has bought back shares of The Link and managed to influence the decision of the manager, such as making a rent reduction proposal, the proposal may not be endorsed by the independent trustee, for the trustee is obliged to ensure that all investment activities are in the interest of unitholders. Hence, even if the Government holds a certain amount of units, it may not be able to change the established rental policy of The Link eventually. Despite the tremendous effort made by the Government, it may not be able to move even a small stone.

Deputy President, the DAB is not making every attempt to prompt this worry to justify our opposition to the buy-back proposal. Indeed, if colleagues are interested in this, they may easily find similar views in newspapers. Many of those opponents of the buy-back proposal are those people who opposed the listing of The Link back then. But since the Chief Executive had proposed to consider buying back The Link before he took office, and given the endless disputes on the buy-back proposal in society in the past, the authorities might as
well take this opportunity to seriously examine the merits and demerits of the buy-back proposal in depth. This will enable the dispute to be dealt with in a more desirable way.

Though the DAB disagrees with the buy-back proposal, it does not mean that we are requesting the Government not to do anything. Actually, some time ago, the DAB urged that the monopoly of The Link be broken to increase the choices of the public and to expand the commercial viability of small shop tenants. The most direct and effective approach is to construct more commercial facilities run by public organizations, which include the setting up of markets of cheap rental and the redevelopment of public markets and cooked food centres. We believe that if there are choices and competition, The Link can hardly monopolize the market, and the rises in rent and prices will be arrested. Recently, the authorities have responded to this proposal by implementing the Tin Shui Wai bazaar plan at Tin Sau Road, Tin Shui Wai, and the bazaar is expected to provide 200 stalls within a short time before the Chinese New Year. The construction cost and operation expenses incurred for the project are about $12 million. It may sound exaggerating to propose setting up five bazaars of this type in each of the 18 districts in the territory, yet it will only incur about $1 billion, which only accounts for the last single digit of funds required for buying back 25% of the shares of The Link.

Certainly, some districts may not be suitable for the setting up of such bazaars, and these bazaars are usually temporary in nature. Therefore, in addition to the setting up of bazaars, the authorities may implement appropriate measures according to the situation of individual districts. For instance, it may choose to redevelop the public markets or cooked food centres in some districts. And in other districts, it may provide new commercial facilities by constructing new PRH estates, redeveloping existing PRH estates and constructing new HOS estates, or it may utilize the surplus space in existing PRH estates to build additional shops. When it is impossible to provide additional commercial facilities in these old housing estates, the authorities may examine the option of requiring developers of private development projects to provide commercial facilities like markets through the conditions of sale.

On the whole, apart from the buy-back, the authorities have many alternatives to increase the supply of commercial facilities in the public sector. The key is that the Government is in control of these options, which unlike the
case of buying back The Link where it has to compete with foreign and major investors. At issue is whether the authorities have the resolve and capability to honour the promise made by the Chief Executive before he took office.

Finally, since the DAB disagrees with the buy-back of the shares of The Link, the DAB cannot support the amendment by Miss CHAN Yuen-han though we support the proposals she put forth in the amendment. By the same token, we cannot support Dr KWOK Ka-ki's amendment though we agree with his proposal to increase commercial facilities in public sector. Thank you.

**DR KWOK KA-KI** (in Cantonese): Deputy President, I think the listing of The Link is one of the worst decisions in governance of the SAR Government over the past 10 years or so. Back then, the Government knew that the listing of all shares of The Link was not the only option. As pointed out by papers at the time, there were three options for the Government to consider. First, it could maintain its full ownership and sell only part of the shares, so it would continue to manage it, as in the case of the MTR Corporation Limited (MTRCL). Second, it might adopt the practice of certain real estate fund by retaining a specific percentage of shares, though the amount might be very small. Third, it might sell all the shares, which was the option taken by the Government at the time. We understand that in comparison with the case of the MTRCL, it is extremely difficult to discuss how The Link should be brought back onto the right track. The Government made a wrong decision then.

Unfortunately, unlike all the other shopping arcades, such as those in Tsim Sha Tsui and Causeway Bay, an overwhelming majority of the customers of all the shopping arcades of The Link are grassroots at the bottom stratum of Hong Kong. They are mostly elderly persons, recipients of Comprehensive Social Security Assistance (CSSA), elderly waiting to collect the Old Age Living Allowance (OALA) from the SAR Government and the general public. However, the Government has driven away the shop tenants, causing the bad consequence today.

At present, The Link owns 182 shopping arcades, and its extensive coverage has rendered The Link the largest single real estate investment fund. The income of The Link comes from 10 major shopping arcades, one of which is Chung Fu Plaza in Tin Shui Wai. Tin Shui Wai is one of the districts which the
poorest population calls home in Hong Kong. In the past five years, the income from Chung Fu Plaza has increased by 64%, yet the income of residents in Tin Shui Wai during the same period has only increased by 5%. The Government has instigated the development of this gigantic vampire, leaving many residents of public rental housing (PRH) estates with no choice today.

Deputy President, it is obvious to all that more than half of the shops under The Link are not selling consumer goods but daily necessities, such as rice and vegetables. Residents are left with no choice. Since they must eat, they have to buy it and they cannot wait till there is a price cut. The situation in Tin Shui Wai and Tung Chung is the worst, and the residents there cannot do any price comparison. Take any one of the fast-food shops in the shopping arcade in Tin Shui Wai as an example — I often take fast-food there. The cheapest dinner will cost $38 to $40, not including drinks. The situation has caused widespread grievances among the people.

With regard to the predicament today, the Government has not given any positive response, apart from the two promises made by LEUNG Chun-ying during the election. When LEUNG Chun-ying was asked of his views about The Link, first, he said he would consider the buy-back option, and this was what he said, and second, he said he would introduce competition. In my amendment today, I have actually put forth the request for the construction of some commercial establishments near the shopping arcades of The Link. However, we all know that it is no easy task. First, for many PRH estates, no site is available in the vicinity. Second, even if such facilities can be built, it will incur a large amount of public funds — the construction of a market or a new shopping arcade usually incurs over $100 million. Besides, the construction will take a long time, probably three years, five years or seven years. In other words, the residents will still have to put up with the situation for many years. Hence, this is not a practicable option.

Regarding this motion proposed by Mr LEUNG Kwok-hung, I think he has made a considerable compromise, for Dr LEUNG Ka-lau made a request of buying back all the shares a number of years ago, and now Mr LEUNG Kwok-hung is only asking for the buy-back of 25% of the shares. In terms of the investment return, will the Government consider it from this perspective? We all know that the foreign exchange reserve and the fiscal reserve of the SAR Government add up to a total of $2,500 billion, and the long-term investment return is 9% to 10%. In the case of The Link, its market price today is $40.5 and
the price-to-earnings ratio is 9.5, which means the earnings per share is $4.27. If the Government buys back The Link, I think it is not doing a disservice to the public.

Regrettably, when Dr LEUNG Ka-lau proposed the buy-back of The Link in this Council a number of years ago, when the price had dropped to $13.7, the Government did not act. Certainly, if the Government wants to buy back the shares today, it will be much more difficult. I believe the Government does not have to reveal this even if it wants to take action. There are many ways to do so. The Government may buy the shares at the market at an appropriate time. I think the Government needs not our advice on how to do so. Back then, when the Government entered the market to pre-empt the predators, it only announced its action after entering the market, did it not? Due to the sale of shopping arcades of PRH estates, nearly half of the residents of PRH estates are seriously affected. Why would the Government simply turn a blind eye to this wrong policy? Eight percent of the income of The Link comes from markets, whereas the rental for markets accounts for 14.5% of its income. Residents in poverty are facing increasing difficulties. Many elderly persons may not patronize supermarkets, Starbucks and fast-food shops, but they must go to markets. The area of markets only accounts for 8%, yet its rental accounts for 14.5% of the income of The Link. The money earned by the public by sweat and toil are spent this way.

In various PRH estates, particularly those in the remote districts, such as Tin Shui Wai, Tung Chung and Tuen Mun, residents cannot do anything about the situation. But still, they have thought up their own ways to alleviate the problem. Take Tung Chung as an example. More than half of the residents there would rather bear additional expenses to go shopping in the urban areas every day. Unfortunately, the expensive transport expense is another big headache to them. It will cost them $10-odd to $20 for every trip to the urban areas. As in the case of Tung Chung, the shortest route is to go to Tsing Yi and then to Tsuen Wan, yet it will cost several dozen dollars for a round trip. They can hardly do this. The situation of Tin Shui Wai is better, for the fares for the Light Rail are cheaper, but still it will cost $10-odd for a round trip. To most people of the middle to low-income group, this is a heavy burden.

Concerning my amendment today, I agree with the proposal of Mr LEUNG Kwok-hung on buying back 25% of the shares of The Link, but I also urge that
the Government must immediately provide some commercial facilities. I hope that the Secretary will state the specific actions the authorities will take in his reply later. This is important. He should not act like the Chief Executive who made promises casually during the election. I guess that this motion will probably be negatived, yet I believe the history will give the matter a fair deal.

During the election, I noticed that many candidates had made eloquent speeches about how they opposed The Link. But today, they oppose a motion which may avert the situation. I think they should feel ashamed for failing the expectation of the public. Miss CHAN Yuen-han is in the Chamber now. I have no intention of imposing any allegation on the FTU, yet I have to present a statement of fact: CHENG Yiu-tong of the FTU is a Member of the Executive Council, a member of the governing team, and he was involved in the decision of listing The Link. He who has taken the salted fish knows full-well he has to bear the thirst. We should not overlook this fact.

I so submit. Thank you, Deputy President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, today, Mr LEUNG Kwok-hung has proposed a motion on "Buying back the shares of The Link", and Miss CHAN Yuen-han, Mr LEUNG Che-cheung and Dr KWOK Ka-ki have proposed amendments respectively. They are concerned about the operation of the estate shopping arcades held by The Link, and they hope that the Government will buy back some of the shares of The Link, or provide additional markets or alternative shopping spots in the vicinity of shopping arcades of The Link to introduce competition and to offer more choices to residents of public rental housing (PRH) estates in shopping for daily necessities.

First, let us recap some history to examine the background of the divestment exercise of the retail and car-parking facilities of the Hong Kong Housing Authority (HA) in the past.

In November 2005, the HA divested its retail and car-parking facilities, with the main objective of enabling the HA to focus on fulfilling its functions of
providing subsidized public housing, whereas proceeds from the divestment would help improve the HA's financial position in the short to medium term.

Back then, the divestment exercise was conducted by establishing The Link Real Estate Investment Trust (The Link REIT) to own the retail and car-parking facilities sold, and arranging for the public listing of The Link on the Stock Exchange of Hong Kong. As for the daily management of commercial facilities under The Link REIT, it would be left to The Link Management Limited (The Link Management) to operate according to commercial principles.

The divestment exercise at the time involved a total of 180 property portfolios throughout the territory, including 149 integrated retail and car-parking facilities, two independent retail facilities and 29 independent car-parking facilities. After the divestment of the relevant assets by the HA, both the Government and the HA no longer held any equity interest in The Link REIT or The Link Management.

To ensure good corporate governance and the continuous provision of retail and car-parking facilities to PRH residents after the public listing of The Link REIT, the Government has introduced various regulatory mechanisms which include regulating the operation of The Link REIT by way of the Code on Real Estate Investment Trusts (the Code) of the Securities and Futures Commission (SFC) and relevant legislation; specifying in the land lease the use of the divested facilities and disallowing the arbitrary change of their use by The Link; prohibiting the divestment of the shops in PRH estate shopping centres under the deed of assignment of retail facilities; and ensuring the continuous letting of a certain amount of floor area at concessionary rental to non-profit-making organizations for the provision of social welfare or educational facilities (please refer to the standards of the HA for the concessionary rental).

After the public listing of The Link REIT in November 2005, proceeds valued at some $34 billion were generated for the HA, which had greatly improved the HA's financial position and provided it with adequate cash flow to meet its operational needs in the short to medium term to cater for the housing needs of the low-income group.
I understand that some people opposed the listing of The Link REIT at the time, including certain Members of the Legislative Council. However, the Court of Final Appeal ruled at the time that the divestment of retail and car-parking facilities by the HA had not contravened the Housing Ordinance.

Since the public listing of The Link in November 2005, its operation has come under criticism from time to time. Some criticize The Link for the continual increase in rentals to force small shop tenants to move out. Some consider that the inclusion of major chain stores by The Link has reduced the choices available to PRH residents, and the goods supplied fail to cater for the need of low-income PRH residents. However, after The Link has taken over the commercial facilities of the HA, there has been improvement in terms of quality and operation in certain commercial facilities. I surely heard the speeches of several Members who consider that the demerits of the arrangement have outstripped the merits of it, and certain Members who supported the arrangement back then may have now become doubtful.

Deputy President, the Government understands the concerns and criticisms raised by the public about the operation of The Link, yet it does not mean that the Government should buy back the shares of The Link to seek to become a significant holder with the largest number of units to influence the operation of The Link. I will explain it in detail.

On 20 November this year, the market value of The Link exceeded HK$ 91.3 billion, and the unit price of The Link was $40 at the close. If the market learns of the Government's intention or decision to buy back a certain amount of equity interest, this news will highly likely stimulate the unit price of The Link REIT to rise further. Based on the aforesaid market value, buying back merely 25% of the The Link REIT units will involve funds amounting to nearly $23 billion, which is likely to increase further.

Besides, if the Government is to buy back a large amount of The Link REIT units, it cannot rely on the acquisition of units held by retail investors in the open market, and it must simultaneously acquire the units from institutional investors holding relatively more units. In that case, the unit price of The Link will be pushed up, where institutional investors will simply wait for the profit, reaping benefits at the expense of public funds. Moreover, if the public and the market anticipate that the Government will reduce rentals substantially or
implement other profit-cutting measures after buying back The Link, the unit price of The Link will definitely drop significantly upon completion of the buy-back exercise conducted by the Government, which will cause the Government to incur financial losses.

If the Government hastily buys back the shares of The Link, it will defeat the initial policy intent of the divestment of commercial facilities of the HA for management and operation by the private sector, which seeks to enhance the cost-effectiveness. I certainly know that in the debate back then, certain Members of the Legislative Council disagreed with this. At the same time, we must seriously consider and rationally analyse whether it is reasonable and proper to spend a significant amount of public funds to buy back The Link REIT units, or whether it is more appropriate to use the limited financial resources of the Government on increasing the supply of PRH flats and other facilities and services beneficial to people's livelihood.

Also, I have to point out that according to the Code, significant holders, unit-holders holding 10% or more units, are not allowed to vote in transactions where a conflict of interest arises. This requirement is designed to restrict the influence of significant holders on the business so as to protect the interest of small investors.

In other words, even if the Government buys back a certain amount of The Link REIT units and becomes a significant holder, the effect of changing the mode of operation and reducing the return of The Link to protect tenants' interests as mentioned by Honourable Members cannot be achieved. For The Link is subject to the provisions of the trust deed, which clearly stipulates that the main objective of The Link is to provide to holders returns derived from the rental income. The trustee independent of the management company has the obligation to ensure that all investment activities are in the interests of the holders and it shall not allow any variation of the trust deed which will materially affect the interests of unit-holders. Therefore, even if the Government holds a certain amount of The Link REIT units, it cannot require The Link to give up its mode of operation to reduce its income proceeds and enhance the interest of tenants.

Besides, even if the Government holds more interests than the holder with the largest number of Link REIT units, it cannot require The Link to give up its commercial principles in operation, for the operation of The Link is subject to the
regulation of provisions protecting the interest of unit-holders under the Code of the SFC, the trust deed and the relevant legislation. That means even if the Government buys back a certain amount of The Link units and become the significant holder holding the largest amount of units, the Government's influence on the operation of The Link will still be limited, for The Link has to be responsible to other unit-holders for their interests. Therefore, even if the Government spends a colossal sum of public funds to buy back units of The Link REIT, it will not achieve the purpose of influencing the operation of The Link in pursuing benefits and return. Mr LEUNG Che-cheung also expressed agreement to this point in his earlier speech.

Consolidating the various considerations mentioned above, we consider buying back The Link is not in the interest of the public, does not conform with the principle of financial prudence and fails to achieve the expected effect suggested by the advocator. Therefore, the Government has no plan to buy back The Link.

Deputy President, though the Government has no plan to buy back The Link, we fully appreciate the concerns and aspirations of the public. Given the historical background and clientele of The Link, the commercial facilities of The Link should naturally be community-oriented, taking care of the daily needs of PRH estate residents for retail and car-parking facilities. We notice that the corporate mission of The Link includes building a relationship with stakeholders with a view to achieving community co-operation and sustainable development. The trade mix of individual major shopping arcades of The Link has not been changed completely after the divestment exercise conducted by the HA. Take Lok Fu Plaza as an example. Despite the inclusion of new shop tenants, about 40% of the shop tenants are small and medium shops. In the case of small shopping centres like Homintin Plaza, due to the clientele, certain small shop tenants selling stationary, grocery and Chinese medicines, as well as Hong Kong-style cafes are still running business there.

We understand full well the concerns of the public about the future direction of shopping arcades of The Link, and we are concerned about the daily shopping needs of PRH estate residents. Since The Link is not a general trust listed but one founded on the commercial assets of the HA, we agree that The Link should not "forget its origins". That means The Link should not forget the PRH community that it needs to serve through the shopping arcades located there.
We will continue to communicate with the management of The Link to reflect to them the views of the Legislative Council and the aspirations of the public.

Deputy President, in my reply to the written question of a Member of the Legislative Council on 31 October, I pointed out that given the fact that most of The Link's commercial facilities are located in PRH estates and its clientele are mainly PRH residents, the mode of operation of its commercial facilities must cater for the needs and affordability of these residents. The management of The Link had previously indicated in the Legislative Council that they understood that The Link had to serve the residents of public housing estates. In determining the rentals, they would take into account tenants' performance and the market trend, and would try their best to maintain the rentals at an affordable level.

Deputy President, I have to point out that the HA had not divested all of its retail and car-parking facilities in the listing exercise of The Link in 2005. At that time, the HA had retained the commercial and retail facilities in about 30 PRH estates to cater for the daily needs of residents, and some of these facilities are in the vicinity of the commercial facilities under The Link. The HA will, having regard to the actual circumstances, provide additional retail premises at suitable spots in its existing shopping centres so as to offer more retail services.

After the listing of The Link, the HA continues to provide commercial facilities in newly completed PRH estates to cater for the daily needs of residents. At present, eight shopping centres, located in Kwun Tong, Yuen Long, Northern District and Sha Tin, have already been completed and commenced operation. Together with the Domain, the new regional shopping centre in the vicinity of a shopping arcade of The Link, the commercial and retail facilities now provided by the HA reach a total floor area of 200 000 sq m. I would like to add that the HA has no intention to sell or divest the existing retail and car-parking facilities.

Deputy President, I so submit. After listening to the views expressed by Honourable Members during the motion debate, I will give another reply in conclusion. Thank you, Deputy President.

MR WONG KWOK-HING (in Cantonese): Deputy President, the listing of The Link Real Estate Investment Trust (The Link), the sale of commercial properties of the Hong Kong Housing Authority (HA) by the Government and the
privatization of car parks have caused the grassroots to suffer for eight years. All along, the FTU and I oppose the privatization of public assets and support buying back The Link.

Why do I say that we have all along held fast to this position? I would like to present the facts here. At the special meeting of the Panel on Housing held on 22 November 2004, the motion proposed by Miss CHAN Yuen-han was passed. On 1 December 2004, Mr Albert CHENG proposed an adjournment debate, and I stated my opposition to privatization unequivocally in that debate. On 1 June 2005, Mr Albert CHAN proposed a motion demanding the suspension of privatization, and the Members from the FTU voted for the motion. On 17 December 2008, we voted for the motion on buying back the shares of The Link.

Since 2004, we have been holding fast to the same attitude. Dr KWOK Ka-ki from the Civic Party has defamed the FTU just now, in presuming that due to CHENG Yiu-tong's status as a Member of the Executive Council, who is a member of the FTU, he may sully us with whatever he likes. CHENG Yiu-tong has insisted on voicing the views of workers and the grassroots in the Executive Council. This position is never in dispute. Of course, we do not know what he has said in the Executive Council, for this is confidential. However, the work and attitude of Members from the FTU are known to everyone.

Therefore, Dr KWOK Ka-ki's attempt to sully us will only be in vain. On the contrary, I have to challenge Dr KWOK Ka-ki now and urge him to explain his case. On 1 June 2005, when Mr Albert CHAN proposed a motion demanding the suspension of privatization, the four then incumbent Members from the Civic Party, namely, Audrey EU, Ronny TONG, Alan LEONG and Margaret NG, abstained. Had his party been so consistent and supportive of the proposal, why would he have avoided explaining the Civic Party's abstention in 2005? Their decision to abstain was *de facto* supporting privatization and not supporting Mr Albert CHAN's motion on the suspension of privatization. He said they were in the pan-democratic camp. If so, why did they not walk the talk and why did they not support Mr Albert CHAN's motion?
Perhaps Dr KWOK Ka-ki will not have the time to speak again in this motion debate, for he has used up all of his speaking time. However, I notice that several Members of the Civic Party have not yet spoken, and I see Mr Alan LEONG is smiling now, so I hope other Members from the Civic Party who have not spoken will explain to all the people of Hong Kong today why they did not walk the talk, and why they abstained on Mr Albert CHAN's motion on 1 June 2005. I am all ears.

Deputy President, the listing of The Link which led to the privatization of public assets has undoubtedly done enormous harms to the people of Hong Kong, particularly grassroots living in PRH, whereas shop tenants have also suffered a lot. The first characteristic is substantial rent increases. According to the annual report of The Link, 1,620 shops are provided in the 16 renovated shopping arcades, and for the several years between 2005 and 2012, the unit rent of these shops has risen from $20.5 to $37.2, an average rate of increase of 81.5%. This is only the average figure, and actually, the rent of certain shops has increased by several folds.

The second characteristic is that shop tenants are forced to sign tenancy of unequal terms and conditions. These conditions share three special features. First, a total rent increase of 25.9% is imposed for a three-year tenancy, which means an annual increase of 8.6%. Second, the "live-to-dead pigeon bundle" requirement is imposed, under which tenants renting a popular shop must at the same time rent an unpopular shop unfavourable for doing business. If tenants do not accept the terms, they will not be granted the tenancy. Third, tenants are required to share their profit at a "9:1 ratio" with The Link, which is linked with the performance of tenants. These unequal terms and conditions are the result of the monopoly of The Link.

The third characteristic is that many major chain stores have occupied shopping arcades of The Link. The Jardines is the largest tenant, which holds 127 7-Eleven convenience stores, and 60 to 70 Mannings stores and Welcome supermarkets. Hutchison Whampoa is the second major tenant, which has rented a total of 117 shops. Take Hau Tak Shopping Centre as an example, among the 140 shops, 124 shops are rented by chain stores, which account for 89% of the total number of shops. In the case of Tin Yiu Plaza, 84 shops out of 95 are occupied by chain stores, which account for 88% of the total number of shops.
The fourth characteristic is the serious problem of contracting out markets under The Link. There is also the problem of sub-contracting, yet The Link does not want to address the problem. In a nutshell, profit is its only end. There are nine markets under The Link. Wang On Majorluck Limited and Majorluck Limited under the Wang On Group Limited, the single contractor, have taken control of 650 stalls. Among the eight markets in Tin Shui Wai, seven markets have been contracted out, namely, Chung Fu, Tin Fu, Tin Yiu, Tin Chak, Tin Yat, Tin Shing and Tin Shui. Tell me, against this background, will not they treat the general public in anyway they like? Hence, Mr LEONG, you should support the amendment by Miss CHAN Yuen-han. You should not dodge giving support to this. You are wrong.

Eventually, many tenants are forced out of business (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR WONG KWOK-HING (in Cantonese): I have no time left to talk about these percentages.

MR POON SIU-PING (in Cantonese): Deputy President, an event called "Link the Tastes" was organized by The Link in its shopping arcades in mid-March this year. In its publicity campaign, the event was described as a "search for shops which were established when we were young to reminisce about restaurants connecting people in the neighbourhood for generations where local cuisine can be savoured. A tour to these shops filled with our childhood memories will bring us to our favourite ones at 30 locations in various parts of Hong Kong, so that we can integrate into the community to soak up the culinary culture". After the launch of the publicity campaign, however, the event was fiercely criticized by the community for substantial rent increases after the taking over of public housing shopping arcades by The Link. Moreover, quite a number of long-established shops and small shop tenants serving dishes for kaifongs, which the event has claimed to look for, have already been compelled to cease operation or move elsewhere a long time ago. The Link was criticized of having single-handedly destroyed everything, from the culinary culture and authentic
flavours of communities in housing estates to the collective memories of both the public and kaifongs. On the other hand, it uses public relations to package and publicize itself through the "Link the Tastes" event participated by celebrities, in order to build a new image.

The public's discontent precisely reflects the crux of the problem arising from the privatization of public housing shopping arcades originally under the Housing Department. In late 2004, when the listing of The Link was in full swing, an adjournment debate was held in the Legislative Council on the listing of The Link. During the debate, the then Secretary for Housing, Planning and Lands said, "Its prime objective is to cut expenditure and improve the economic efficiency of the shopping centres by, among other things, stepping up publicity and promotion, improving the environment of the shopping centres, and attracting more customers to boost patronage to commercial tenants. It is only on these premises that there is room for The Link Management to adjust the rent in accordance with the business situation of individual trades and industries." The Secretary also believed that The Link and shop tenants would be able to eventually achieve a win-win situation on a partnership and mutually beneficial basis. However, it has been proved that the win-win situation undertaken by the Secretary at that time failed to materialize, and eventually The Link emerged as the only winner.

As the upgrading of The Link's assets requires an enhanced mix of shops, small shop tenants are eventually compelled to move out. In order to upgrade the hardware support, substantial rent increases are required, too. At present, the housing estate shopping arcades under The Link have indeed been beautifully renovated, thus attracting a number of chain stores. However, these shopping arcades have become stereotyped, and their original human touch and character have been destroyed, too. The traditional functions of housing estate shopping arcades of serving their kaifongs are thus lost.

The objective of the listing of The Link was to save expenditure and upgrade the efficiency of shopping arcades, but this goal has not been achieved. After the taking over of shopping arcades by The Link, there have been substantial increases in rentals of public housing shopping arcades, thus resulting in significant increases in shop tenants' expenditure. With the departure of small shop tenants who cannot afford the exorbitant rents, many kaifongs have to go to places farther away to buy cheaper daily necessities, thus resulting in diminishing
efficiency. Recently, a book entitled *What Money Can't Buy: The Moral Limits of Markets* has become one of the bestsellers. The listing of The Link is precisely an example of the Government's bid to fully commercialize things which should not be evaluated commercially, thus resulting in an imbalance between money and morals. This lesson is very profound indeed.

Deputy President, today's debate is focused on rectifying policy blunders. Now, there are two views: One is for the Government to start all over again by identifying land to construct government-managed commercial facilities, and the other is for the Government to buy back the shares of The Link. These two proposals can be re-examined, but I am afraid it is not easy for results to be achieved within a short time. Hence, I think the Government should immediately review its hawker policy to give hawkers more vitality. I so submit.

**MR LEE CHEUK-YAN** (in Cantonese): Deputy President, the Labour Party certainly supports the motion proposed by Mr LEUNG Kwok-hung today on "Buying back the shares of The Link". With the Government's mindset of "big market, small government", two monsters were created in Donald TSANG's era, and one of these vampires is The Link, which was released after the privatization of all the shopping arcades under the Housing Authority. The other one, which is one of our transport operators, the Mass Transit Railway Corporation Limited, is also a vampire. Likewise, it has been privatized, too. Following the privatization of these two monsters, the burden of living on the public has become even heavier and tougher. If we look in retrospect at one of these big monsters, The Link, we will find that its objective has become very clear and unitary after its taking over of the management of shopping arcades, and that is, to make money. Its means is, of course, to raise rents. Hence, under The Link's three current major directions, SMEs, small shop tenants, members of the public and workers have all been victimized.

Firstly, small shop tenants are driven into extinction as a result of the introduction of large consortia. I recall the complaints I have received from all the small shoe shop tenants in Chung Fu Shopping Centre, Tin Shui Wai. As Members should be aware, the shoes they sold were targeted at primary students. So, they must be the cheapest and most ordinary black shoes or sports shoes. Yet, The Link has driven all these shoe shops out of Chung Fu Shopping Centre, which has now been taken up by large consortia, such as Dr Kong, Walker, and
so on. Meanwhile, the small shops that used to sell shoes to primary students have all vanished. As a result, the residents have to buy more expensive shoes. Come to think about this. It is all because The Link is determined to drive small shop tenants into extinction that housing estate shopping arcades cannot even allow a shoe shop for primary students to survive. The tactic employed by The Link is quite ruthless, too. If a tenant refuses to move out, it will be allocated a remote shop space, while all well-positioned shop spaces are allocated to large consortia. As a result, it is impossible for shop tenants at remote locations to continue operation.

Hence, all shopping arcades have been monopolized by large consortia. Even restaurants are no exception. The Link will then compel shop tenants to refurbish their shops. If they disagree, they will not be able to lease the shops. Hence, the tactic employed by The Link is precisely aimed at driving small shop tenants into extinction. As large consortia can afford the rent and renovation expenses, SMEs have no room for survival. The result of the entry of large consortia will definitely lead to rising prices, but consumers have no alternative. Let me cite an example to illustrate my point to Members here. Do people living in Tin Shui Wai have any alternative? Except for one shopping arcade managed by the Cheung Kong (Holdings), all the other shopping arcades in Tin Shui Wai are under The Link. With all the shopping arcades in Tin Shui Wai being monopolized by The Link, where can the residents go for shopping? As large consortia and shops under The Link are seen everywhere, the residents have no other options. Moreover, with the markets also managed by The Link, the residents can only go to Yuen Long by public light bus, bus or Light Rail Transit, to buy groceries in the Tai Kiu Market, where prices will definitely be lower.

Another example is Tai Hing Estate. Every day, I can see many residents go to the San Hui Market to buy groceries via the Choy Yee Bridge. Why do they not buy groceries in the Tai Hing Market? This is because after the acquisition of the Tai Hing Market by The Link, things are getting more and more expensive. Following the monopolization as a result of the taking over of management by The Link, members of the public have to bear exorbitant prices.

As everyone knows, Tin Shui Wai has the largest number of low-income workers and is the poorest community in Hong Kong. However, the prices in Tin Shui Wai are the highest. How come the prices in the poorest community are the highest? How can the residents survive? How can the residents get rid
of poverty if The Link, like a huge monster, is positioned in the community to suck the blood of the people, even though the Government vows to lift people out of poverty? With the Government having come to this pass, what is its logic? Besides, workers are not in a better position because, as everyone knows, all the work of The Link has been subcontracted. Hence, it is imaginable that, under sub-contracting, the wages of workers are always the lowest. Cleaning workers and security guards are no exception, either. Fortunately, they are still cushioned by the minimum wage, or else the situation will become even more terrible.

Hence, with the emergence of this enormous vampire, The Link, all small shop tenants, members of the public and workers have become the victims. The severity of the average rate of rent increase can be clearly seen in the half-yearly report just published this year. Over a period of six months, The Link has earned $3.2 billion, and the average increase of the positive rental reversion of its shops has reached 27.9%, up from the 23% recorded last year. This is precisely the reason why things are getting more and more expensive, as we have often said. The real estate hegemony, the shopping arcade hegemony attributed to The Link, and the monopolized hegemony are to be blamed for the exorbitant prices.

Hence, I think that we have no alternative now but to buy back the shares of The Link. Of course, just as Mr LEUNG Che-cheung who loves to advocate the introduction of competition, some people might object to this proposal. Certainly, we wish to introduce competition, too. However, no food will be sold in the bazaar which will operate in Tin Shui Wai shortly, as proposed by the Honourable Member just now. Although some vegetable might be sold there, it is not the ideal place for the public to buy vegetable. The lack of a municipal services building in Tin Shui Wai has left members of the public with no choice.

We certainly support the introduction of more competition. However, the shares of The Link must be bought back in order for the most fundamental problem to be resolved, because all other options are meaningless. Hence, I really hope that the Secretary can consider this proposal. How can you resolve the problems of exorbitant prices in Tin Shui Wai and many other districts and small shop tenants being driven into extinction? What other alternatives are there if the option of buying back the shares of The Link is ruled out? I believe
there is no other alternative. Hence, I hope Members can support the buy-back of shares. Thank you, Deputy President.

MR MICHAEL TIEN (in Cantonese): Deputy President, in 2004, the Legislative Council gave the green light to the Housing Authority (HA) to sell its shopping arcades to The Link at a dirt-cheap price of some $20 billion. Now, eight years later, the Legislative Council is saying that it wishes to buy back The Link. Today, the market value of The Link has risen by nearly five times to $95 billion. This is what I wish to share with Members today: Do not use a terribly wrong method to rectify a wrong decision, for the result will be a terribly, terribly wrong decision. A buy-back of The Link can be described as "sell low buy high". If I raised this idea when studying MBA in Stanford, I would have been kicked out of the university and surely be made an international laughing stock. I cannot but give the Member a big hand for his courage to put forward this proposal.

I would like to point out the five major fallacies of the buy-back proposal. First, the buying back of The Link is like castles in the air. If the proposal is really put into implementation, it will mean a big fortune to shareholders of The Link because they know very well that the Government is going to buy back their shares. So, they will definitely shore up the share prices, thus enabling them to make an extra future in addition to the original fivefold return on the share capital. Do Members know who are holding 70% of the shares of The Link? They are foreign funds, not members of the public in Hong Kong. These foreign funds have to thank "Long Hair" for enabling them to "make a big fortune". During the voting later, I have to call on all Members holding shares of The Link to declare interests and Members preparing to vote in favour of the motion to withdraw from the meeting, right, Deputy President?

Second, I think it is simply fantasy to say that buying back 25% of the shares can reclaim the controlling power. Despite holding more than 70% of the shares of the Mass Transit Railway Corporation Limited, the Government cannot make a sound when it comes to increasing fares, saying it has no power to meddle with fare increases. Even though it is well aware that this is not going to work, it still stubbornly squeezes its head into the wall. If the maximum commercial profit has not been reaped, a judicial review can be filed against the Government even if there is only one minority shareholder. Hence, it would not help the
matter even if 99% of the shares were bought back by the Government. If the proposal is to be implemented, the Government has to spend $100 billion to buy back all the shares.

Third, even if The Link is really to be bought back, will the Government kick out those shop tenants who are capable of paying exorbitant rents and deliberately suppress the rents so that the shops can be leased to other shop tenants who cannot afford the original rents, so that inexpensive commodities can be offered and planned economy implemented? I would like to remind Members that here is Hong Kong, a free market with no price control, not North Korea. After investing tens of billion dollars on renovation, commodities can be sold at high prices, but now it is proposed that the shopping arcades be leased at dirt-cheap prices. As shop tenants cannot be compelled to lower their prices, they will be the beneficiaries in the end. It is like putting money into their pockets because they absolutely do not have reasons, motives or incentives to lower prices. Hence, buying a gorgeously refurnished shopping arcade to sell inexpensive commodities is absolutely in breach of the principles of the market. This is like buying a palace to sell groceries. Are colleagues seriously supporting this proposal?

Fourth, the privatization proposal was put forward because some Members initially criticized the Government for poor management and the lack of vitality in the shopping arcades under the HA. Now, the shopping arcades have been privatized and they are brightly lit, who will take charge of the management should the Government buy back The Link? Will it not be the HA again? What will happen five years after? Will the shopping arcades not turn lifeless again and so the Government has to put them up for sale once again?

The last point concerns assets valuation. I wonder if Members have done some homework. To my knowledge, there are 80 000 parking spaces under The Link with a book valuation of more than $100,000 each. If the buy-back proposal is really put into implementation, the value of each parking space can reach between $200,000 and $300,000. If these parking spaces are to be bought back, I am convinced an extra $12 billion or so will have to be spent. If this sum is included in the total, the Government will have to spend at least $120 billion to buy back The Link. Colleagues supporting the buy-back of The Link must not make false accusations against me, saying that objecting to buying back The Link is tantamount to turning a blind eye to people's livelihood. It is only that I find it
too "stupid" to take care of people's livelihood through buying back The Link, and so it is impossible for me to support the motion.

Today, there are 40-odd publicly-operated shopping arcades and markets near the public housing estates across the territory where members of the public can buy daily necessities and inexpensive commodities. In comparison, the only districts which lack these facilities are Tung Chung and Tseung Kwan O. To my understanding, a brand new 30,000-sq ft shopping arcade will be commissioned in Tung Chung in 2016, and a shopping arcade will be completed in Tseung Kwan O in 2013, too. The completion of an additional 20-odd publicly-operated shopping arcades one after another in new public housing estates in the coming five years will bring competition and give the grassroots one more option.

Meanwhile, we have to identify space in commercial centres where The Link has no rivals, such as Tin Shui Wai, which was mentioned by Members just now, to build publicly-operated shopping arcades and markets. In fact, the Dawn market in Tin Shui Wai is a perfect site, but it has now been turned into a one-storey bazaar and land resources have thus been wasted. Why does the Government not build one more storey? I find that the Food and Environmental Hygiene Department (FEHD) is reluctant to take over its management, and the government officials in the district are pretty distressed about it. In fact, it is easy to finance the construction of the facility, but it is difficult to find someone to take over the management afterwards. Even the FEHD is reluctant to take charge of it.

Hence, what is the biggest problem today? There are problems with the shopping arcades and markets managed by the Government. It is simply a waste of effort for them to be returned to the Government for management. We should think up some new ideas and appoint some creative and outstanding members of the community. I have once mentioned in my article Mr Allan ZEMAN, who has successfully run the Ocean Park and Lan Kwai Fong. If a statutory organ is set up and chaired by him, so that he can take charge of all the shopping arcades and markets in Hong Kong, I am convinced that they will all see improvements in five years' time. This is, on the contrary, the most urgent matter Hong Kong must consider at this point in time. We must not let the Government intervene in any commercial organizations, or else privatization will be the only way out.

Deputy President, I so submit.
MR NG LEUNG-SING (in Cantonese): Deputy President, I noted from the record that a motion on "Buying back the shares of The Link" was considered and fiercely debated in the Legislative Council on 17 December 2008. Despite my absence from the meeting on that day, I agree with the view put forward by many Members at that time, that is, buying back the shares of The Link was not an appropriate solution.

First of all, Article 5 of the Basic Law in Chapter I reads, "…… the previous capitalist system …… shall remain unchanged for 50 years". As Hong Kong does not practise the socialist system, economic issues should be tackled with the market approach, and it is inappropriate to practise public ownership in a broad-brush manner. The Government's role in economic management is to foster a favourable business environment and effect supervision, whereas the market should be operated by the private sector. There should be a division and delineation of their respective roles.

Being an international financial hub, Hong Kong has a long-established and sophisticated capital market mechanism for compliance. The operating mechanism of The Link, being a listed corporation, must meet the corporate governance requirements of a listed company. Directors are required to fulfil their fiduciary duty in making decisions having regard to the best interest of the corporation and all shareholders. Even if the Government becomes one of the shareholders of The Link, other shareholders must be treated fairly. The Government cannot circumvent a particular channel and make a decision or produce an impact inconsistent with the interests of small shareholders, such as rent reductions or waivers. Moreover, the former Secretary for Transport and Housing, Eva CHENG, once stated in her comments on this item that "the Code on Real Estate Investment Trusts contains restrictions on significant holders' influence on the business, that is, they shall abstain from voting if a conflict of interest arises. Even if the Government becomes a significant holder, the effect of meeting the requirement made in the motion can still not be achieved". These comments by the former Secretary, Eva CHENG, precisely pinpoint the crux of the matter.

Furthermore, a sounded out buy-back in any efficient market will definitely push up prices. I believe more premium has to be paid as a result of the present high-profile discussion on propelling the Government to buy back the shares of The Link, and an additional expenditure of hundreds of billion Hong Kong
dollars will be incurred. Is this in the interest of the public? Perhaps such a large sum of public money can be used for other purposes conducive to the well-being of society.

This will go on and on should the Government set the precedent of achieving its social policy objective through buying shares of private enterprises. There are so many trades and industries related to the people's livelihood in every sphere. If they are all directly intervened by the Government in place of the market, its financial viability will be called into question. The Government is by no means omnipotent. What is more, government officials cannot turn into business management experts easily. There are numerous examples illustrating that carrying on business by government officials will only lead to a bloated organization and diminishing efficiency. In the past, what the general public did not wish to see was the management of shopping arcades by government officials. Why can a decision of bringing a change be made casually? In August this year, Prof Raymond SO, an academic in finance, pointed this out in his article, "If the Government is requested to underwrite everything found to be unsatisfactory, will it be requested to buy private hotels on the ground that rising rates of hotel rooms is not conducive to the tourism industry? Will it be requested to buy private fast-food shops on the ground that rising food and drink prices in these shops are not conducive to the ordinary masses?"

Deputy President, in fact, I am gravely concerned about rising shop rentals because of their impact on people's livelihood and the viability of many shop tenants. Nevertheless, economic problems should preferably be resolved by economic means. Despite the robust growth in the retail industry over the past few years, there has been a mere 13% increase in the total area of retail properties. This is indeed the root cause of rising shop rentals. The shopping arcades under The Link are not the dominant power in pushing up rentals, since their total area makes up only around 10% of the total area of all the shopping arcades in Hong Kong. The Government should also proactively enhance the supply of retail properties to improve their overall supply and demand, in order that the problem can be addressed at root.

Deputy President, I so submit.
MR TONY TSE (in Cantonese): Deputy President, before making my speech, I would like to declare my interest. I am currently holding a small amount of the shares of The Link Real Estate Investment Trust (The Link REIT).

I agree with the remark made by LEUNG Chun-ying during the Chief Executive election, that buying back The Link is a major move. In recent years, we have often heard voices in society complaining that the renovation of shopping arcades owned by The Link in public housing estates is followed by substantial rental increases. As a result, small business tenants cannot survive. Meanwhile, a lot of chain stores have been brought into such arcades. Thus, residents in public housing estates, who are left with no choice, have to buy goods at higher prices. Under such circumstances, they request a buy-back of The Link by the Government. However, can the aforesaid problems be resolved by a buy-back? Is a buy-back of The Link the most effective solution which can best address the problems? Just now the Secretary also mentioned a number of problems which may arise due to the buy-back.

In the past when The Link's shopping arcades in public housing estates were managed and operated by the Housing Authority (HA), I believe the major principle was to attain a break-even position. With the purpose of providing a large number of retail shops selling goods at lower prices or operated in a commons style, the rents were relatively inexpensive. However, these shopping arcades operating in such a mode could not generate any handsome profit. Under such an operation mode, the quality of goods and services was compromised, and there were even criticisms that the environment and facilities of the government-owned shopping arcades were far from satisfactory, resulting in a great discount in the potential values of these properties.

Inefficient operation and financial austerity of the HA was one of the reasons for the listing of The Link. In fact, after the listing, The Link operates on a commercial basis. Both the management and image of the shopping arcades have undergone profound changes, resulting in substantial improvement in the operating efficiency. A lot of new shops have gained a foothold while the people flow has increased. Some arcades have regained vigour and vitality, up to the expectations of the community. By adhering to the commercial principles in operation, coupled with quality design, management and promotion, people flow in the shopping arcades has increased, and this has in turn attracted more tenants. Under the principle of pursuing higher returns, rental levels will
naturally rise. This mode of operation and management style has also conformed to the commercial principles.

Deputy President, prior to the listing of The Link, the rental level of shopping arcades in public housing estates was relatively low, thus offering a bigger room of operation for small business tenants. However, owing to the much-criticized management and operation, the profits were relatively low. After the listing of The Link, improvements have been made in respect of management, operation and the environment of shopping arcades, presenting a new appearance to the people. The earnings of the shopping arcades have thus also enhanced. Given the higher rents, most of the shops are chain stores.

Caught in such a dilemma, we should weigh the pros and cons before choosing a relatively appropriate and effective solution to the problem. This should also be our objective. Moreover, as The Link has been listed for many years, should we backtrack? Is backtracking the best solution? If we prefer the business model of The Link, what measures should be adopted by the Government to provide more room of business operation to the small business tenants after the buy-back? I believe the authorities should seriously find an effective solution in the face of this problem.

From the financial point of view, the unit price of The Link was about $10 with a market capitalization of around $20 billion when it was listed in 2005. The fact that it was oversubscribed 130 times by retail investors reflected its popularity. Currently, the share price of The Link has risen to about $40 and the market capitalization has substantially increased to more than $91 billion, representing 3.5 times of that when it was first listed. Thanks to the efforts of The Link Management, the annual profit exceeds $10 billion over the past three years. Can The Link spend some of its profit on helping the grassroots to purchase daily necessities at lower prices? If the Government buys back at least 25% of The Link's shares in accordance with Mr LEUNG Kwok-hung's proposal, it will pay at least $22.5 billion according to estimation, excluding premium. Should such a large sum of money be spent on the buy-back? Can The Link's current principle of operation be changed after the buy-back? If the answer is in the positive, will the market capitalization of The Link greatly decline due to a substantial reduction in its return from rental income? This will involve an astronomical amount exceeding tens of billion dollars, which warrants our careful consideration.
Deputy President, the Government should think twice before making a
decision on the buy-back of the shares of The Link because by setting a precedent
of buying back a listed enterprise, there may be another request for a buy-back of
the shares of the MTRCL, tunnels, Towngas, CLP Hong Kong Limited and The
Hongkong Electric Company Limited on the ground that we do not want to bear
high transportation costs, tunnel tolls, tariffs and gas bills. We may even request
the nationalization of all livelihood-related goods and services provided by
private operators (*The buzzer sounded*) ……

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR TONY TSE (in Cantonese): Thank you, Deputy President.

MR WU CHI-WAI (in Cantonese): Deputy President, regarding the issue of
buying back the shares of The Link, the first and foremost concern is to consider
the duties of the Housing Authority (HA) under the Housing Ordinance (the
Ordinance). Under section 4(1) of the Ordinance, the HA is obliged to ensure
that appropriate commercial facilities or facilities for running business are
provided to all walks of life in the housing estates in order to enable them to have
an adequate standard of living in the precincts of the HA. The Ordinance
reflects that both the Housing Department and the HA have the constitutional
responsibility to provide adequate and appropriate commercial facilities to meet
the basic living needs of the residents. This is also one of the major arguments
which played a determining role in the Court of Final Appeal's judgment on the
listing of The Link. The then argument was the uncertainty as to whether the
HA could comply with the relevant provisions under the Ordinance after
assigning the shopping arcades to The Link. Finally, the judgment was in
favour of the listing of The Link.

But seven years later, many people and organizations have reflected to us
that the shopping arcades under the management of The Link have undergone
profound changes. Can the HA still meet the requirements under the Ordinance
after these changes? It is open to discussion. But in the face of such endless
disputes, the HA is duty-bound to examine whether it can discharge its
constitutional responsibility under the law by providing necessary services to residents of housing estates under its management.

(THE PRESIDENT resumed the Chair)

In fact, improvements can be made through various means and pressure can be exerted on The Link by various approaches. But over the last seven years, it has become increasingly difficult to make The Link protect the interests of small business tenants and maintain its past practice because The Link has adopted the commercial mode of operation. Objectively speaking, such a mode has brought some improvements and changes to the shopping arcades, leading to a better people flow. Meanwhile, however, this has posed difficulties to the operation of the sitting shop tenants, not to mention the surge in the prices of daily necessities suffered by residents of the public housing estates.

One of the factors resulting in the aforesaid difficulties is directly related to The Link's management approach rather than the market per se. Upon tenancy renewal with The Link, small business tenants are required to comply with some restrictions on their business operation. As we have always pointed out, shop tenants of shopping arcades in general are required to carry out some simple renovation works when tenancies due for renewal every three years. Such practice will always lead to increasing difficulties to small business tenants because the requirement of carrying out large-scale renovation and improvement works upon expiration of a three-year tenancy agreement will exert enormous financial pressure on them. Even if they can comply with the requirement, the renovation costs will be reflected in the sale prices of goods, thereby leading to a vicious cycle of an ever increasing rise in the prices of daily necessities. Owing to The Link's "vampire" strategy, shop tenants are unable to have sufficient time to plan for their investment return. They have to strive for cost recovery in the shortest period when setting the prices of goods. As a result, the rise in commodity prices is detrimental to the daily life of the general public.

On debating the issue of buying back the shares of The Link today, some Members said that the buy-back might be highly risky as this would involve government policies as a whole. They queried whether all trades would be
nationalized. However, I would like to remind Members that the Financial Secretary maintained in 2007 that it was necessary to buy extra shares of the Hong Kong Exchanges and Clearing Limited (HKEx) in order to strengthen the status of Hong Kong as an international financial centre. The buy-back of The Link, as a tool, is in fact supported by such a precedent. It is tantamount to the acquisition of the shares of the HKEx by the Government on the ground of strengthening the former's status. By taking this opportunity, the Government should inform The Link of the action to be taken so that The Link will know the Government's intention. The Government should also show its resolve to the public that it will ensure that The Link's policy will meet public interest.

Secondly, regarding enhancing competition, I share the view of many Honourable colleagues that competition can be enhanced by setting up government-owned shopping arcade facilities in the vicinity of The Link's shopping arcades. According to the HA's information, there are always unused gross floor areas within the precincts of its housing estates. If serious consideration can be given to setting up additional commercial facilities within the original precincts, will this not be a way to address the conflicts?

Thirdly, I think the Government may consider designating market days or fair markets as a means to provide more space to small business tenants to operate as individual operators. Thus, they do not have to compete with large consortia or adopt the commercial mode of operation in large air-conditioned shopping arcades. With the space provided by the Government, they can operate businesses as individual operators. This is an important element to promote a harmonious environment in Hong Kong as this would provide more space for more Hong Kong people to start up their own businesses. Hence, the Democratic Party supports the motion of buying back the shares of The Link. (The buzzer sounded) …… I so submit. Thank you, President.

PRESIDENT (in Cantonese): Your speaking time is up.

MR LEUNG YIU-CHUNG (in Cantonese): President, Secretary Prof Anthony CHEUNG said just now that it was not appropriate to buy back the shares of The Link rashly and a number of Honourable colleagues also kept saying that if the
shares of The Link were really bought back, those who stood to gain the most would only be investors and vested interests. I absolutely agree. If 25% of the shares are bought at the present high share prices, some $20 billion would be required. As we all know, to buy the shares at such a high price would surely benefit The Link. Even if the shares had been bought earlier rather than now, The Link would still have been benefited because back then, the Government sold the assets at dirt-cheap prices. According to the market value at that time, the rental value for 15 years amounted to only some $20 billion but now, it is as high as $90 billion. If the Government buys the shares at the existing price, of course, The Link would reap a handsome profit.

However, President, even so, what can we do? This is not something we wish to see. Are we really so averse to "stinky money" that we want those people to reap the profit? I think Mr LEUNG Kwok-hung would not do so either, but the trouble is we have no choice. Why? In the election platform of the Chief Executive, LEUNG Chun-ying, it is also said that he understands that the listing of The Link has made residents in public housing estates suffer because the prices of goods are high and there is no room for small businesses to survive. Therefore, he proposes that shopping arcades or shopping venues be established in the vicinity of the shopping arcades of The Link Management Limited to sell low-priced goods, so as to meet the needs of the residents in public housing estates.

Having heard him say that I felt very happy, hoping that he can deliver some results. Therefore, I raised a written question at the Legislative Council meeting of 31 October, asking the Government what the LEUNG Chun-ying Administration had actually done. However, President, what reply did the Government give me? Let me quote it to Members, "At present, the HA still retains a range of commercial and retail facilities in public housing estates (including those that are in fact in the vicinity of The Link's commercial facilities) to cater for the daily needs of residents. The HA will, having regard to the actual circumstances, provide additional retail premises at suitable spots in its existing shopping centres so as to offer more retail services. As for new public housing estates completed since 2005, the HA has also been providing commercial facilities to meet the daily needs of residents. Examples of such recently completed facilities include Choi Tak Shopping Centre, Yau Lai Shopping Centre, Yan On Shopping Centre and the Domain. The Domain is the HA's newest regional shopping centre to be formally opened soon in Yau Tong in
the vicinity of The Link's Lei Yue Mun Plaza. Together with the Domain, the HA provides commercial and retail facilities with a total floor area of 200 000 sq m.”.

President, the Government has put a very positive spin on this but unfortunately, even if this measure can really be implemented, it only covers those uncompleted shopping arcades rather than old shopping arcades and old public housing estates. At present, The Link has occupied the shopping arcades and car parks of old public housing estates, so what can residents do? Small businesses and residents are really miserable but the Government cannot help them. It has not actually provided additional shopping arcades or shopping venues in the vicinity of these public housing estates to enable residents to buy low-priced goods or for small businesses to open shops. It is because the Government has failed to deliver on this that we are so angry.

Apart from such issues as shopping arcades, small businesses, residents and the high prices of goods under discussion today, there is actually another even more important issue that Members have not raised, that is, since The Link is the landlord in housing estates, the consent of The Link must be secured before any new facilities can be put in place in housing estates, otherwise, it is out of the question. Take for example the construction of pavilions, without the consent of The Link, it is not possible to build them. What is most pathetic is that since recreational facilities are also managed by The Link, after The Link has taken over, what is the condition of those facilities? Since they cannot generate any revenue, The Link just neglects them and lets them lay in disrepair. However, who can supervise The Link? We requested The Link to send a representative to attend the meetings of Estate Management Advisory Committees, but how did The Link respond? It said that it would not arrange for anyone to attend such meetings and did not care what our demands were, that if there was anything that needed to be done, it would naturally do it. However, what has The Link done? Nothing whatsoever. The power of The Link is really so excessive that residents can have nothing good to eat, no good recreational facilities to use and no desirable living environment to live in. I cannot see anything that is positive.

Therefore, I can only say to other Honourable colleagues that it is better to just get it over with rather than prolonging the agony. We do not want to spend so much public funds either, but what else can we do? Even the Chief
Executive, LEUNG Chun-ying, has failed to deliver on his election platform, so what else can be done? Since there is no other alternative, a buy-back is the only option. If we still do not buy back The Link now, even worse is to come. Why? At present, not only does The Link invest its resources in shopping arcades and car parks, it is also involved in other businesses. If this situation continues, the cost of buying it back would be increasing great and in the future, it would be even more difficult to do so. In the event that it is impossible to buy it back, The Link would become another hegemonist, thus reducing the scope for our survival. The reputation of the Government for being able to provide low-end shopping arcades for people with small capital to operate businesses and enabling residents to buy low-priced but quality goods, which the Government has all along taken pride in, will also vanish completely.

If we do not buy back The Link now but still applaud and oppose a buy-back because of the fact that investors can gain benefits ….. in fact, I myself also oppose it, but what better alternative is there? Just now, Members suggested building shopping arcades in other places, but is this feasible? Not at present, because there is no space in old housing estates to build new shopping venues. Therefore, the Government cannot just engage in pleasant but empty talk without taking any follow-up action. The same goes for the Chief Executive. He sounded very upbeat in his election platform but in reality, he has failed to deliver and done nothing whatsoever, so what is the point? I hope the Secretary can do something pragmatic instead of just paying lip-service.

DR JOSEPH LEE (in Cantonese): President, the debate today is about buying back The Link and this subject is no novelty. In 2004, after the Government had decided to sell some of the shopping arcades under the management of the Hong Kong Housing Authority (HA) to The Link — at that time, I voted in favour of this — of course, we all hoped that this action could improve the management of them, so that shops could operate in even better conditions. However, many problems have arisen after privatization.

The first is a series of negative issues, including the operation of The Link on commercial principles — the Secretary has pointed out very clearly that the operation is based on commercial principles — owing to these principles of operation, many stores, cafeterias, snack shops and stationery shops have perhaps
disappeared, resulting in the loss of the special characteristics of these shopping arcades. The original purpose of these shopping arcades managed by the HA to serve residents may have also changed. The people they serve are no longer local residents but people from other districts. The emergence of such a situation has generated a great deal of negative publicity.

This is the fact and the Secretary also admits it. However, if we look at the other side of the coin, after the listing of The Link or after The Link has taken over the shopping arcades, has anything positive happened? I have looked at various shopping arcades, for example, those at Ho Man Tin Estate or Oi Man Estate, and there is also a positive side — their appearance is better, there is a greater flow of people and some shopping arcades have also retained the original fruit shops and small stores but of course, the rents have also risen.

Therefore, one view in the community is that the Government may as well buy back The Link using public funds. Of course, the Government has made comments like it is impossible to buy back 25% of the shares of The Link, so on, so forth, many times and we can talk about these later. However, the fact is: Have we assumed that after buying back The Link with public funds, the present mode of operation of the shopping arcades under the management of The Link could be changed, so that they would no longer operate on commercial principles but would be put under the management of the Government and subsidized with public funds again, thereby enabling existing tenants to sell low-priced goods because of the cheap rent? I do not know if this is feasible, nor has anyone talked about this issue. In that case, I have to ask the Government: If we really support buying back The Link now, can the Government change the present principles of commercial operation and revert to the past mode, so that cafeteria, stationery shops in local communities and small hair salons can operate in shopping arcades again? Will the situation turn out like that? However, perhaps people would not come from other places anymore. In that event, we will go back to the past, but do we want to see this happen? What is the good of it? Apart from being able to serve residents, I cannot think of any other.

Now, can the proposal to buy back The Link really achieve such an end? I have doubts about it. However, if the Government advances this point, I hold that if we now use public funds to buy back some listed companies because of a certain principle, no matter if it is a desirable one or not — of course, we have to make changes — but if there is no knowing whether their modes of operation can
be changed or not after the buy-back, so that they would no longer operate on commercial principles, in that case, my question is: Does our Government actually mean that capitalism is no longer practiced in our society? Do we have to use public funds to buy back all private companies that displease us or the operation of which we or some people consider undesirable, or because they cannot let the general public enjoy low-priced and quality goods, and turn private listed companies into public ones? May I ask the LEUNG Chun-ying Administration if it believes in the practices of socialism? Do your political beliefs uphold socialism? As the LEUNG Chun-ying Administration once said, the buy-back of The Link would be examined and when he said so, the very first question that I would like to ask him is — unfortunately, I forgot to do so when I bumped into him this morning — whether or not he is a socialist. Is your Government leading Hong Kong towards socialism? If the reply is in the positive, please say so and we will consider if we would support you because this is very important. However, if the practices change all the time and as a result, public companies are turned into private ones, then private ones are turned back into public ones, and this goes on and on, despite all the changes, it may still not be possible to solve the problems. After the changes, that is, after buying back The Link, would we be able to say that all public housing estates can now provide low-priced and quality goods to residents? Of course, at present, the ultimate goal of all shopping arcades and some housing estates managed by the HA is to serve residents and we welcome this. However, will the changes bring about entirely different outcomes?

Of course, just now, the Secretary raised another issue that still cannot be resolved and I also want to talk about it, that is, if we want to use public funds to buy back the private premises owned by some listed companies, the Government is obliged to observe the law — observe the laws regulating the HA — so that suitable venues and premises can once again be provided to local residents and residents can benefit from reasonably-priced goods and buy what they want on account of the cheaper rents. Is the situation really like that described by Mr LEUNG Yiu-chung and is The Link really so domineering that it does not allow small stationery shops, hair salons, stores and cafeterias to be opened in the shopping arcades of all housing estates managed by the HA, thus making it impossible for shopping arcades to regain their local characteristics and serve the residents? No matter if we look into a buy-back of The Link or not, the Secretary still has the responsibility to ascertain if the housing estates under the management of the HA all have such facilities, so that residents can at least lead
lives that we describe as suitable or appropriate and buy goods at reasonable prices. This is the responsibility of the authorities, so we should not just talk about buying back The Link.

I have reservations about the debate question today. Why? This is a matter of principle and to me, I cannot agree with using public funds to buy back some listed companies regardless of the circumstances, then end up not knowing whether or not the entire mode of operation can be changed. Moreover, there is no knowing how the public funds would be spent. This is the first point.

Second, I believe in the free market and capitalism. If the Government says that it wants to make changes and implement planned economy and practise socialism now, I have to examine if there is any more ground for supporting the Government. For this reason, I have reservations about some of the proposals in this motion today. Thank you, President.

MRS REGINA IP (in Cantonese): President, I speak against Mr LEUNG Kwok-hung's motion and all the amendments because the original motion and all the amendments involve a buy-back of 25% of the shares of The Link Real Estate Investment Trust (The Link), which is unrealistic and commercially non-viable in my opinion.

As an Honourable colleague pointed out just now, the closing price of The Link yesterday is $40 per share. With a market capitalization of $91.3 billion and earnings per share of $4.27, its rate of return has reached 10%. Anyone who has knowledge of the market will know that if you want to collect the shares of a listed company, you have to do it quietly. By consulting an expert in privatization, you will know that this will be carried out surreptitiously or through the dark pool. It is rare that one will pursue the goal after making public announcement like what we are doing in the Legislative Council. Let us imagine that if the Hong Kong Government is so stupid as to accept the proposal and announces publicly that it will buy back 25% of the shares of The Link, the expenditure to be incurred will be far more than $20 billion. Those big shareholders and even the market will naturally push up the share prices because everybody knows that the SAR Government is holding a fiscal reserve of hundreds of billion dollars.
At present, the four major shareholders who are jointly holding 25% of the shares of The Link are four foreign companies: The Capital Group, Commonwealth Bank of Australia, Bank of New York Mellon and BlackRock. Given that these four major shareholders are holding a total of 25% of the shares of The Link, is a buy-back not tantamount to giving the hard-earned money of Hong Kong people to foreign companies? Will anyone be so stupid as to buy the shares at a high price? Therefore, in my opinion, we should not pay a high price to buy the shares with the hard-earned money of Hong Kong people.

Secondly, what if the Government has successfully bought back the shares? If the Hong Kong SAR Government holds 25% of the shares of a listed company, does it mean that it will have the "say"? Absolutely not. As pointed out earlier by Mr Michael TIEN, although the SAR Government holds 75% of the shares of the MTR Corporation Limited (MTRCL), does it have any "say" in the fare increase mechanism? We also know that the SAR Government is still unable to control other shareholders and the Board of Directors of the MTRCL. The responsibility of the Board of Directors of a listed company is certainly to enhance the corporate value and returns for shareholders. If a shareholder holding 25% of the equity interest puts forth some proposals which may affect the performance of the company, other shareholders will raise objection.

In fact, under section 168B of the Companies Ordinance, if the majority shareholder of a company has taken some actions which may affect the rights of the minority shareholders, other shareholders can take legal action against this majority shareholder, irrespective of whether this majority shareholder is holding 10%, 20% or 25% of the company's shares. Therefore, if the SAR Government, after buying back 25% of the shares, tries to get rid of the top 10 tenants without regard to the corporate value and shareholder interests, and adjusts the rents downward substantially without regard to the possibility that the vibrant shopping arcades may become worn out and desolate again merely for the sake of rent reduction, it will face litigation.

Certainly, another problem we have to face is the post-buy-back management arrangement as pointed out by an Honourable colleague. When I pursued further studies in the United States in 2004, I proposed that the shopping arcades of the Housing Department (HD) be sold to a Real Estate Investment Trust (REIT) through listing. At that time, my proposal was supported by the
market and many Members, who considered this a kind of financial innovation. In fact, there are REITs in Singapore and many other markets and only Hong Kong has lagged much behind in the introduction of REIT. But it is also worthy of applause. What message will be sent to the market if we run counter to the trend? If we buy back the arcades, how should these arcades be managed in future? The aforesaid problems will become a heavy and long-term financial burden on the SAR Government, apart from the big problem of management.

If we wish to address a series of problems caused by The Link such as the monopolization of market in some districts where people's livelihood and the interests of small and medium enterprises have been jeopardized, we should consider other measures. One of these measures is to invoke the Competition Ordinance (the Ordinance) which has been enacted. I opposed the enactment of the Ordinance on the ground that it would run counter to the free market philosophy. But as the Ordinance has been passed, I also hope that after the setting up of the Competition Commission (the Commission), those who are affected can take legal action against The Link in accordance with the Ordinance in districts such as Tin Shui Wai where monopolization of the market by The Link is suspected. The Commission, after investigation, can order remedies, such as giving up the monopolization of some shopping arcades by allowing the entry of other commercial tenants according to the Ordinance. As pointed out by some colleagues, new shopping arcades in new housing estates constructed by the HD should not be managed by the Link anymore. Instead, competition should be introduced. In this regard, I hope that Secretary Prof Anthony CHEUNG can clarify whether there is a clause granting the "right of first refusal" to The Link when the Government sold the HD's shopping arcades to it. Under the right of first refusal, The Link will be given first priority in deciding whether it will manage the new shopping arcades in new housing estates constructed by the Government. If there is such a clause, it will be very serious and the Government has really made a great mistake.

Besides, the HD and the Food and Environmental Hygiene Department may consider setting up a low-rent commercial community in the vicinity of public housing estates, communities or The Link REIT's shopping arcades for small-scale business operators. For example, the Government has agreed to set up the "Morning Bazaar" in Tin Shui Wai, though its result is pending observation. Furthermore, the Government can construct municipal buildings, public markets and hawker bazaars at suitable locations to enhance the residents'
consumption choices if circumstances permit. As for the shopping arcades in new public housing estates to be constructed in the future, the Government should not make the same mistake and the participation of various commercial tenants should be allowed.

Therefore, on this point (*The buzzer sounded*) …… I so submit. Thank you, President.

**MR GARY FAN** (in Cantonese): President, today I speak in support of the original motion proposed by Mr LEUNG Kwok-hung and the amendments by Miss CHAN Yuen-han and Dr KWOK Ka-ki. But I oppose the amendment by Mr LEUNG Che-cheung.

Today's topic is "Buying back the shares of The Link", which involves the Government's disposition of shopping arcades and car parks under the Housing Authority (HA) at a knockdown price to The Link Real Estate Investment Trust (The Link) in 2005. Back then, the Government decided to totally relinquish the ownership of the assets on the ground that more people could thus buy the shares of The Link. Its firm adherence to the principle of "small government, big market" in dealing with the matter has resulted in a lot of social problems facing us.

After purchasing a large number of shares of The Link in 2006, the hedge funds and international "speculators" raised the rents substantially and carried out renovation for the shopping arcades continuously. As a result, small business tenants were driven out of business so that the rental value of the arcades could be enhanced. The rising rents, coupled with the costs of renovation borne by commercial tenants at the request of The Link, are reflected in the retail prices. Not only commercial tenants have to pay exorbitant rents, public housing residents also have to pay high prices for goods, thus pushing up the inflation in Hong Kong. Furthermore, the formerly self-sustained commercial tenants are forced to enter the labour market.

According to the Survey Report on the Minimum Wage of Cleaning Workers of Shopping Arcades and Markets under The Link REIT ("領匯轄下商場及街市清潔工的最低工資調查報告") published on 13 July 2011 by the Linkwatch, before the implementation of the statutory minimum wage, The Link
had publicly pledged to offer paid rest days and paid meal hours to the employees of contractors. However, those cleaning workers employed by contractors were simply not entitled to paid rest days and paid meal hours. In response, The Link said that these cleaning workers, who were employed by sub-contractors, were not the staff of The Link and could not enjoy these benefits. Thus, these benefits did not apply to them.

We can see that the management culture of The Link is to "sub-contract" its services. After small business tenants have been driven away, large chain store operators are brought in, resulting in retail oligopoly. Eventually, small business tenants, workers and the general public who rely on the services of the shopping arcades in public housing estates are exploited. Relevant business operators enjoying overwhelming dominance will then sit on their heads and share the lucrative profits.

President, we often mention the need of striking a balance between the public domain and free market, and protecting the interest of the general public by setting up a restricted area with the invisible hand of the free market. Today, quite a number of Members have employed in their speeches the "straw man" strategy which is often used in secondary school debates. In other words, a fictitious enemy is created and illusory issues are used to divert attention in order to blur the issue. We have not said that Hong Kong should adopt a socialist or communist system. However, a relatively simple solution to the rampant hegemony of The Link, that is, a motion calling for a buy-back of only 25% of the shares of The Link is interpreted by colleagues in this Chamber as a measure causing Hong Kong to move towards socialism. This is absurd and trying to divert attention. Hence, I urge the Government to balance the interests of various sectors in society as a whole. By studying different possible options to gradually buy back not less than 25% of the shares of The Link, the Government will become its majority or sole shareholder. The Government can then exert influence on the management of The Link and urge The Link to fulfil its social responsibility.

President, as you said before, the public acceptance of the Legislative Council has been declining over a period of time. Moreover, its popularity rating is not high. One of the important reasons is that Members are unable to come up with a solution which can effectively monitor the Government and help resolve livelihood problems despite long debates in this Chamber.
Today, many Members have spoken. In our opinion, the speeches of these "royalists", including the New People's Party and the DAB, cannot help resolve the social problems stemming from the rampant hegemony of The Link. I hope that Members will support the original motion of buying back The Link.

President, I so submit. Thank you.

MS STARRY LEE (in Cantonese): In Hong Kong, The Link seems to be a byword of "ruthlessness against small commercial tenants". Whenever you are in a shopping arcade under The Link near some public housing estates, you will get the feeling that those grocery stores, Chinese herbal shops and Hong Kong-style cafes which accompanied you in your growing up have been driven out of business because they cannot withstand a series of rent hikes. Eventually, only large supermarkets and chain stores remain in the shopping arcades of public housing estates. The residents are left with no choice and forced to buy expensive goods. No wonder the people say that the emergence of The Link marks the onset of decline of businesses patronized by the kaifongs in public housing estates. In the face of The Link which is even more ferocious than a tiger, some commercial tenants who are forced to close their business sigh that "they could ride out the SARS in 2003, but not rent hikes by The Link".

President, in view of the substantial rent hikes by The Link and even its evil deed of refusing to renew tenancy agreements with small commercial tenants, the DAB has strong dissatisfaction. The DAB also considers that the management of The Link is to blame for The Link's poor relationship with tenants. However, should we spend a huge amount of public money to buy back The Link on the ground of its unreasonable rental policy and other management problems? Is there no other solution? More importantly, does a buy-back of The Link means that all problems can be resolved? Does it mean that the hegemony of The Link can be resolved as mentioned by some Members who support a buy-back of The Link? There are still many doubts preventing me from being convinced after listening to debate for so long.

Firstly, I would like to point out that after the listing of The Link, the shop rent per square foot rose from $23 in 2006 to $35.8 this year, representing a year-on-year increase of 7.6%. Such a rate of increase is certainly not trivial,
thus causing a great burden to small business tenants. However, according to the data of the Rating and Valuation Department, the rent hike of retail properties in the private sector during the same period is in fact broadly comparable with that of The Link. Thus, the crazy rental increase boils down to a serious supply shortage caused by the Government’s land policy which neglects the demand for land. Why? It is clear to everyone that the retail sector in Hong Kong has grown robustly due to the increase of Mainland tourists. Data show that retail sales doubled from $200 billion in 2005 to $400 billion last year. But in the same period, the gross floor area for retailing has only increased from 9.52 million sq m to 10.79 million sq m, representing a year-on-year growth of only 2%. Given the serious shortage, rents rise naturally. Therefore, the right prescription to resolve the problem of rising rents should be an increase in the supply of retail properties by the Government rather than buying back The Link for the purpose of restraining the rent hike.

Secondly, if we support today’s motion, we have to answer this question: Why should we spend a huge amount of money to buy back The Link? There will be only one reason, if established, and that is, for the sake of public interest. The logic involved is probably that after the Government has become the majority shareholder of The Link, it can order a rent reduction. When the rent burden borne by tenants can be relieved, small business tenants will return and prices of goods will go down. Finally, residents of public housing estates will be benefited. Hence, we have to prove that the logic I mentioned just now is valid before deciding to buy back The Link. In other words, after the buy-back, shop rentals will drop. After the reduction of rents, small shops will supposedly return to business and prices of goods will drop. As a result, ordinary citizens will be benefited. However, after listening to the arguments of Members in support of the buy-back, I fail to see in what ways the logic could hold water.

Let me talk about the first relationship. Could we be certain that shop rentals will be reduced after the buy-back of The Link? There is a very big question mark because when The Link was listed, the Housing Authority (HA) injected its shopping arcades and car parks in public housing estates into The Link. These assets were listed in the form of a real estate investment trust. So, in essence, The Link is not only a listed company, but also an exchange-traded fund. The main purpose behind the establishment of the fund is to put it under the regulation of the Trust Deed and the Fund Code. Unit-holders cannot easily
change or modify its principles of operation. Thus, even if the Government has acquired 25% of The Link units to become its so-called the largest shareholder as suggested in today's motion, could the principles of operation and even the rental policy of The Link be changed? I greatly doubt this and firmly believe that this is impossible at the present stage. Similar to the case of the MTRCL as cited by many Honourable colleagues as an example, it is a listed company with the Government being the majority shareholder. However, the fares of the MTRCL increase every year. Therefore, the Government cannot call the wind and summon the rain even though it has become the majority shareholder of a corporation which operates according to commercial principles.

Fourthly, as mentioned by many colleagues, the Government has to offer a price which is definitely much higher than the current share price of The Link if it wants to make the buy-back successful. Even if the Government is fully determined to fork out its money, since the objective of the buy-back is to prevent shops from raising the prices of goods, once the buy-back comes to fruition, the unit price of The Link will certainly fall sharply in view of the bleak profit prospects. A great deal of loss will be suffered immediately. Purchasing at an extravagant price but resulting in compromising returns is an irresponsible way of using public money. Furthermore, even if the Government has joined the management as a majority shareholder, it cannot be irresponsible to the minority shareholders or act in a way which is unfair to them. Those Honourable colleagues who support the buy-back of The Link have not explained how this problem of unfair treatment to the minority shareholders can be dealt with in future.

Fifthly, we should not forget that when the HA decided to list its shopping arcades and car parks through The Link, its purpose was to reduce its deficits, apart from its intention to improve the management efficiency and the profitability of the properties in order to avoid wasting social resources. It has been proved that, after years of effort, the people flow in The Link's shopping arcades has improved greatly and there are a wide variety of shops. If we backtrack, it is doubtful whether the Government can carry out management effectively. I was not convinced by any previous speech that the Government could carry out management effectively after the buy-back either.

President, I so submit.
MR KENNETH LEUNG (in Cantonese): President, first of all, I would like to declare my interest. I provided taxation advice to the Housing Authority (HA) in 2004 when The Link Real Estate Investment Trust (The Link) was undergoing the initial public offering process. I have also served as a HA member since 2006.

President, the HA sold its shopping arcades and other assets in public housing estates in 2005 amid a controversy to The Link for its listing. To date, the problems caused by The Link have become conspicuous. A community organization monitoring The Link has found that 70% of the shops in the 16 shopping arcades that have undergone renovation have been occupied by retail and fast-food chains operated by consortia. Obviously, shopping arcades in public housing estates managed by The Link have gradually been monopolized by consortia. Consequently, residents in public housing estates have lost affordable consumption choices, apart from the fact that small business tenants are forced to give way to notable brands and chain stores, reflecting a complete disregard for the residents' daily needs.

Back then, the HA's decision to sell off its shopping arcades in public housing estates resulted in its inability to regulate the operation of The Link after listing. Thus, The Link is like "a fairy having crossed the sea". The Link operates purely on the basis of market principles and profit maximization without bearing any social responsibility. We must learn a bitter lesson from this privatization and privatization is not an absolutely correct decision. However, even though there are so many problems, is it really necessary to spend money to buy back The Link? In principle, if the original privatization decision was wrong, then I think it is also wrong to buy back The Link with public funds. We cannot correct a mistake with another mistake.

Last week, a friend of mine working in investment banking helped me estimate the value of The Link. According to this six-page-plus evaluation report on my hand, if the Government buys back The Link — I mean a total buy-back plus the premium to be paid — The valuation of The Link is around $111.3 billion to $130 billion, which is an astronomical sum of money. Mr LEUNG Kwok-hung has proposed that the Government can become the sole
shareholder of The Link by buying not less than 25% of its shares in order to change the management style and operation mode of The Link. This is entirely unrealistic.

Secretary Prof Anthony CHEUNG and Mrs Regina IP have also mentioned some of the Listing Rules and the rules of the Securities and Futures Commission, which should be taken into consideration. Moreover, insofar as the operation of a listed company is concerned, the sole shareholder definitely cannot take full control of the Board of Directors. Furthermore, the operation of The Link, which is a trust fund, is regulated by a trust document. As a shareholder of the fund, it is absolutely impossible for the Government to exert influence on the management of the fund unless a full acquisition has been made.

Besides, a very fundamental question is: What guiding economic ideology is upheld in our society? I would also like to ask Chief Executive LEUNG Chun-ying this question. On 17 October when he explained his policy agenda in this Council, he said that the past practices such as positive non-intervention or the notion of "big market, small government" would no longer be pursued. In that case, if we buy back The Link, should we adopt a planned economy model? Well, if I am given a choice to spend $130 billion on the premise of public interest, why should we accord top priority to the buy-back of The Link? Why should we not buy back the two tunnels? As the franchises of the three bus companies are close to expiry, why do we not buy them back or "nationalize" them? Regarding the two power companies, we can see that, according to the Director of Audit's Report, their pollution accounts for 30% to 40% of the territory's pollution. If we buy back all these companies, would it not be more evident that we care about the people's interests? No, because we still have no guiding economic ideology. We are still upholding free economy or market economy.

Certainly, I am also aware that the management and operation of The Link has led to a lot of drawbacks and criticisms, in addition to the reduction in choices for residents of public housing estates. Therefore, I propose that the HA can construct some public markets in the vicinity of public housing estates which are affected by The Link, or provide venues to hold regular bazaars or hawker markets, or issue some temporary hawker licences. Of course, if these proposals
are adopted, the Government should also be very cautious since the contract signed with The Link at its listing may contain anti-competitive clauses which may last for 10 or even 15 years. The Government should be cautious about this. In addition, the Government may also assist small business tenants who are evicted by The Link to restart their businesses in other shopping arcades under the HA so that they can continue to serve the residents of public housing estates. Thus, I would like the HA and even the Government as a whole to consolidate the experience in the privatization of shopping arcades in public housing estates, and conduct a comprehensive review on whether Hong Kong should uphold the policy of privatization in the future.

Finally, with reservations about today's motion and all the amendments, I will vote against them. President, I so submit.

MISS ALICE MAK (in Cantonese): President, earlier on many Members have taught us a lesson in economics and finance. They have talked about many ideas in economics and finance. But it seems that they only have bookish knowledge and concepts about economics and finance, but they do not understand the hardships of the grass-roots people. Some Honourable colleague has talked about the "Morning Bazaar", saying that a bazaar like this in Yuen Long can help the people. They also say that the problem of the lack of markets in Tin Shui Wai can be solved. I think they do not know that this kind of bazaar does not sell fresh fish and meat and so how can it replace the wet markets? They had better do some homework first.

In the annual report of The Link, it has got a line to this effect: dedicated to serving members of the public and improving their life. I think this is really a joke. If it is not a joke, then The Link is simply shedding crocodile's tears. A while ago, the only Chinese restaurant in Shek Wai Kok Estate, Tsuen Wan, was about to close down and the reason was that The Link had raised the monthly rent from $180,000 to $300,000. This Chinese restaurant cannot pay for the rent but it wants to continue doing its business because it has got some 60 staff members and the restaurant wants to continue serving the kaifongs. The operators of the Chinese restaurant want to talk with The Link to see if the rent can be reduced. But The Link does not want to talk with them. It is not that The Link wants to
get a greater income in rent but it has leased the same premises to a food and catering chain to run a Chinese restaurant at the same rent of $180,000. It is therefore obvious that The Link is using the giant consortia to drive the small shop tenants into extinction.

If there are some Honourable colleagues in this Council who always vow to protect the interest of the SMEs, then they should support the buy-back of the shares of The Link so that these small shop tenants and SMEs can have more chances of starting a business.

Also, The Link has contracted out the Tung Chung market. Now there are two markets in Tung Chung owned by The Link. One market is in Fu Tung Estate and the other is the market in Yat Tung Estate. Both markets are contracted out under a similar system. This system is really ridiculous. After the contractor has leased the market, those who sell pork and those who sell vegetables are the same tenant. There are five stalls selling pork in that market and three of them belong to the same tenant. These stalls can fix the price of the goods they sell in their stalls. They can say, sell pork at $35 a catty one day and $40 the other.

The FTU has conducted a survey on the money spent to prepare a meal with two dishes and one soup. It is found that the money used by residents of Tung Chung to buy food to prepare such a meal of two dishes and one soup is the same as the money paid in the Wan Chai market to prepare such a meal. And the situation has been going on like this for a long time. But Members should never forget that the median income of residents in Wan Chai is twice that of the residents of Tung Chung. Why do the latter have to spend so much on food when their income is so low?

I wish to cite more examples to Members. Maybe some Honourable colleagues only know how to speculate on the stocks but they know nothing about cooking. So they do not really know about the price of food. In the market in Tin Shui Wai, at the beginning of this year, that is, about the time of the Chinese New Year, a catty of pea sprout cost $120. After the Chinese New Year, I thought that the price of vegetables would be cheaper. But a catty of pea sprout still costs $20 to $30. The price may be very cheap to some of us here. It may mean really nothing. But it is very important to the ordinary people. If
they are to buy vegetables at a price of a few tens of dollars, they may as well stopping eating vegetables.

Do you know that it is so difficult for people who live in Tung Chung and Tin Shui Wai to buy beef? There are not more than three stalls selling beef in the whole of Tin Shui Wai and the residents there have to go to many markets before they can find beef. So beef is in fact a luxury to them. We have asked a Tung Chung resident and he said that they would only eat beef on festive occasions. I once asked a professional whether he knew that people in Tin Shui Wai and Tung Chung seldom ate beef. Then he said to me that I should tell the people there to eat more vegetarian food which would be healthier. I am sure many Honourable colleagues here would think the same way, that is, tell the people to eat more vegetarian food.

In addition, do Members know — well, they may drive but they seldom ride on a motorcycle — in the past, in those public rental housing estates built by the Housing Department, there were some people who rented the parking spaces in the public housing estates to park their motorcycles. After The Link has acquired the car parks, because The Link has refused to spend money on paying the regrant premium, so there are no parking spaces now in the estates for motorcycles. This makes it impossible for the motorcyclists to lease parking spaces even if they want to. Why? Because The Link refuses to pay the money. Is this what The Link is doing when it claims that it is committed to serving the people here and improving their life?

Earlier on those Honourable colleagues who know much about economics and finance said that those of us who support buying back the shares of The Link fail to convince them that buying back the shares of The Link can make life better. Since they know so much about economics and finance, would they convince us with some methods of theirs, some suggestions they think useful and able to make the life of the grassroots better. Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, Dr KWOK Ka-ki has provided us with some supplementary information in his amendment and that is, the interim results of The Link for the six months ending 20 September 2012 are very good and the total revenue amounted to $3,197 million, and its net property income grew 10.5% year on year to $2,256 million. But on the other hand, the
average rate of increase of the positive rental reversion of its shops reached 27.9%, causing small shop tenants to suffer the plight of rental increases. In the end, these small shop tenants have to close their shops.

President, when people walk past the shopping malls in public housing estates, they can see shops in a row closed down or moved out. They will know that some large supermarket or shop or some chain fast-food store should be moving in. If they see the premises under renovation, they will go to a nearby congee store, grocery or Hong Kong-style café with which they are familiar to try to find out what is going on. When they talk with the boss there, they can find the boss very much worried and helpless. This kind of psychological reaction and steps taken by the local residents may look meaningless and most of them are not justified. Some of these are just the result of excessive worries. However, these are what the local residents really feel and it can be said to be folk wisdom. Strangely enough, they would usually turn out to be not very far from the truth.

As for the latest case, which was also mentioned by a number of Honourable colleagues earlier, it is about phase 1 of the Chung Fu Plaza in Tin Shui Wai. In September, the place was under renovation and for some shop tenants, their premises were resumed upon the expiry of their lease. There was one candy shop which had been doing business there for more than a decade. It sold quality goods at bargain prices and it was welcomed by the residents there. The shop had to close. The boss said that he weathered the onslaught of SARS but not The Link. He was asked by The Link to move to another shop twice the size of his present shop. But as he was running his business on a small capital, he could not cope.

In 2004, the Government divested public assets and sold its ownership and management rights of some 180 shopping malls and car parks in public housing estates, injected them into The Link Real Estate Investment Trust (The Link). An initial public offer of the shares of The Link was conducted and The Link was listed in that year. The agreement concerned provides that The Link has autonomy in operation and provided that what it does complies with the law and the land lease, and so on, the Government cannot do anything to interfere with its daily management, business strategy or mode of operation. Members should still recall that in 2004 when preparations were being made to list The Link, the opposition from the people was just muffled. Of course, the Government sang praises of the listing and the business sector and some pro-government groups all
lent their support to the move. They even took to the streets to oppose those who opposed the listing, saying that they were standing in the way of other people who could make money. About three or four years later, people gradually found out that the Government has created a monster that preys on and fleece the grassroots. I remember that subsequently when public outrage was at its peak, the Government stopped selling newly-built shopping malls such as that in Yau Tong Estate to The Link. In 2010, in a paper submitted to this Council by the Housing Department (HD), it was suggested that the Housing Authority (HA) should reinstate the commercial buildings division and manage these shopping malls for the Government as well as undertaking matters concerning design, publicity and lease. The HD even said that it wanted to compete with The Link. At that time, Members already said that the idea was ridiculous and suggested that the Government should buy back the shares of The Link and address the blunders at root instead of plugging each loophole as it appears. Now we can see that the problems are deteriorating. It is common sense among the people that when the giant consortia come, the small shop tenants will disappear. I agree very much with the people from The Linkwatch who say that when the HA split and divested its assets, it should not be regarded as a commercial act but a question of something that produces a huge impact on the daily life of some 2 million residents of public housing and the profitability of tens of thousand shops run by small shop tenants, as well as how the amount of some $30 billion of public money is to be used.

President, I support Mr LEUNG Kwok-hung's motion which urges the LEUNG Chun-ying Administration to fulfil its election promise and construct government-managed commercial facilities in the public housing estates to curb exorbitant prices and study buying back the shares of The Link. I believe even if the motion were passed today, the Government and many economics professors would say that a buy-back does not worth the while. But we can see that most of the Members who have spoken today are indignant at the negligence of social responsibility by The Link. I am sure the speeches made by Members can serve to tell the LEUNG Chun-ying Administration that we will never allow such things to happen. I also agree with what Miss CHAN Yuen-han says in her amendment, that some short-term measures should be devised. After all, the discussions on buying back the shares of The Link cannot be expected to be completed in a year or so and meanwhile the people have to suffer from buying expensive food and the shop tenants have to bear with the high rents. I would think that small shop tenants whose business is on the verge of closing down due
to The Link’s drastic rental hikes should be assisted in restarting their business in shopping malls managed by the HA. They can be allowed to renew their leases by paying the original rents.

When we talk about The Link, we can never forget the monopolization we see in the shopping malls in Tin Shui Wai. With the totally unfair land use agreements entered into between the Government and the developers, the residents have to bear with the same kind of pain as we see people suffer in this case of The Link. We can see that the nature of the two cases is precisely because of the bad consequences of privatization which the Government has been very eager to push through in recent years. As we should learn from our past mistakes, I urge the Government once again to put a brake on the pace of privatization in higher education, medical services and social welfare. It should reaffirm its basic obligation in social welfare. For if not, the number of poor people in Hong Kong will grow, and so will the discontent pent-up among the people. And problems will only crop up continually.

President, I so submit.

MR ALAN LEONG (in Cantonese): President, why did the listing of The Link cause such an uproar in 2005 and lead to the hearing of the case Lo Siu Lan v The Hong Kong Housing Authority by the Court of Final Appeal? It is precisely because the Government in its attempt to divest public assets had not approached this Council for amendment of section 4(1) of the Housing Ordinance. So as we discussed people who supported or opposed the proposal at that time, we were not doing this by exerting some constitutional restraint on the Government by way of any mechanism of this Council. This is why I need to make the history of the matter clear in the first place. As mentioned earlier, this Council had a chance to discuss this issue only because Mr Albert CHENG had proposed an adjournment debate and a motion with no legislative effect was proposed by Mr Albert CHAN on 1 June 2005 to postpone the listing of The Link. We had these two occasions only and these two occasions were related to motions with no legislative effect.

At that time, Ms Audrey EU, Mr Ronny TONG and I had in our speeches expressed our great worry about this move made by the Government to bypass this Council and carry out this divestment of public assets. However, at that
time we abstained on Mr Albert CHAN's motion because we could see that the Government had come to the last step of the listing process and if we were to call a stop at that very last stage, there might be a chance that this would incur very heavy losses to the public. It was because of this reason that we abstained. However, we had made it clear in our speeches what we could foresee on that day, as we can see today. And so there is no question of the Civic Party having lent its support to the listing of The Link.

President, after explaining how the Government had bypassed this Council when it wanted to divest public assets rather than seeking an amendment of section 4(1) of the Housing Ordinance, I must talk about another issue. Both Secretary Prof Anthony CHEUNG and many Members have also mentioned that this motion proposed by Mr LEUNG Kwok-hung is fraught with problems. They pointed out that even if 25% of the shares are held, change may not necessarily be made to the arrangement made under the trust that The Link must make money. President, I am sure you must be very clear about this. What we are debating now is just a motion with no legislative effect and this is occasioned by this aloof stand taken by the Government all through the years when the people suffer from all kinds of unfair treatment and inconvenience after The Link has taken over the shopping malls used to be managed by the Housing Authority (HA).

As many Honourable colleagues have said earlier, and I have always been pointing it out as well, the Government can consider introducing some competition and hence achieve some kind of check and balance, in those shopping malls still under the management of the HA or to vacant some space in the estates on the premise that no excessive adverse influence is caused to the shop tenants of The Link? But the Government is still turning a deaf ear to the suggestion. Even though there are many unleased stalls in those public markets under the Food and Environmental Hygiene Department, there are no specific measures devised to assist those people who run a business at a low cost and who just want a place to do business. In such circumstances, we then suggest that if the Government cannot think of any other solution, it might as well rectify the situation by reversing it. I am not saying that we would not encounter any difficulties but what I am saying is, given that there is no other alternative to deal with this issue which has such a great bearing on people's livelihood, it would not be excessive at all if we make our stand known and ask the Government to deal with this issue. And there would not be any need for us to discuss the operation
details either, for this should be taken care of by the Government and it is not our concern. The Government has caused all this trouble and it should clear up the mess because it has caused it in the first place. At that time, there was no need for this Council to be consulted with respect to the constitutional arrangement concerned, and furthermore, we had not been asked to amend the Housing Ordinance.

President, on the Housing Ordinance, in the case Lo Siu Lan v The Hong Kong Housing Authority, Members must read the judgment handed down by the former Chief Justice Mr Andrew LI of the Court of Final Appeal. It is explained very clearly in paragraphs 35 to 43 that under section 4(1) of the Housing Ordinance, the HA has the obligation to provide suitable and reasonable facilities to the residents of the public housing estates. The Chief Justice also pointed out that permitting The Link to take over the management duties did not mean that the HA could not carry out its legal responsibilities and future consequences would have to be considered. Now the future consequences have emerged and so I must warn the Government that if it cannot make The Link perform in a manner which meets the needs of the residents of public housing estates, it may breach the law.

I so submit.

DR LEUNG KA-LAU (in Cantonese): President, the first motion I proposed after joining this Council was on the topic of buying back the shares of The Link. It was then the end of 2008. After reading the wording of the motion proposed by Mr LEUNG Kwok-hung today, I think I may have to collect some royalty from him because the two motions look very similar in terms of content.

At that time, it can be said that I was quite innocent and childish and later on it may prove whether or not I am still that innocent and childish today. At that time, the share price was some $13 and now it is $40. Even if those ideas I had at that time were innocent and childish, they may still not work today. But at least the Government can make an income of $10 billion.

Today I wish to raise some issues which I had raised back then and Members can discuss them. First, for those people who supported the listing of
The Link or abstained from voting against it in 2005 and who now want to support this motion, does it mean that they made a mistake at that time? I do not think this is necessarily the case, because the times are different. At that time the Housing Authority (HA) and the Government were both rather hard-up and the situation was really bad. But now the Government is much richer and the times are entirely different. This is the same case as when I treat my patients, I have to vary my treatment as their conditions change. There is nothing strange about it.

Mr Kenneth LEUNG is my classmate. He asked earlier what the meaning of all that was. The answer is simple enough. The shopping malls owned by The Link are located in public housing estates. The meaning of that is just like the meaning of public housing estates. What then is the meaning of public housing estates? There are public housing estates because property prices are too high and some people cannot cope. What is the meaning of shopping malls owned by The Link? They are there because some ordinary businessmen cannot afford the high rentals of the shops and their ability to run a business is not that remarkable, so shops that are comparable to public housing in flats should be provided to these businessmen. This is because not all shop premises should either be public or private properties.

Two years ago the Government gave an explanation on why it did not buy back the shares of The Link. It said that the HA and the Government had decided not to take part in commercial operations. But this goes against their wish. All the shopping malls in public housing estates completed after 2005 cannot be handed over to The Link. Although it is required that if the Government does not operate the shopping malls, priority should be given to The Link. But as we know, the political conditions now are such that it is no longer possible to hand over these shopping malls to The Link. The Government has to manage these malls and it will have to manage more and more shopping malls. If the Government is to buy back the shares, does it have to operate these malls itself? Not necessarily, because these malls can be managed by The Link. The managers from The Link have done quite a good job in making the shopping malls look very attractive. The case is similar to the MTRCL, although the Government is the major shareholder, the MTRCL is not managed by the Government. The MTRCL has its own management.
Now the most sensitive issue is that since the current price of the shares of The Link is some $40, can we afford to buy the shares when they are so expensive? Actually, if we are to decide whether the value of an asset is too expensive, we do not just look at its price in the past. We should not say that when the shares were worth $10 when a company was first listed and now the price has risen to $20, then the share prices are expensive. This will have to depend on how much the shares are worth in future. In the case of HSBC, its stocks were once worth only some $20, now they have gone up to $70 and people are still buying its shares. This is because people expect that the share prices will rise. The most important consideration is the anticipation that the share prices will go on rising. So even if the price of the shares of The Link now is as high as $40, the shares are worth buying provided that the price will go on rising or will not go down. We should not think that the shares could be bought at a price of some $10 many years ago, but we cannot buy the shares at this price now. We should not think in this way.

Another very important point is that the income from the shopping malls in public housing estates used to be the second largest source of income for the HA. At that time, the HA had a hefty income by selling the Home Ownership Scheme flats and the income from the shopping malls was its second largest source of income. The income from the shopping malls was even larger in amount than the investment returns of the HA. So buying back the shares of The Link should not be likened to handing out sweeteners. It is an act aiming at making money.

Last, about the question of whether the idea will work and if the Government really buys back the shares, can some influence be exerted on the management of The Link. Mr Kenneth LEUNG has just come back in time. Actually, I have made enquiries with some experts about these issues. First, will the share prices of The Link certainly rise when the Government buys the shares of The Link? No, it is because when the funds are holding a lot of the shares of The Link, they cannot sell a large amount of these shares at the same time to cash in because this will push share prices down. So suppose there is a major client who wants to buy all the shares held by a fund manager, the fund manager may not want to sell the shares at a high price, that is to say, the shares may not be sold at a premium. On the other hand, there may be a discount in the consideration.
Second, even if the Government has got a policy on buying back the shares, it does not mean that it will buy back the shares in one go regardless of the price. The idea of this tactic is like doing business, for people would buy when the price is low. As I said in 2008 when I proposed to buy back the shares of The Link, at that time the share price was $13. Actually, the price had once reached $20 during better times. So share prices will go up and down. If the Government is to buy back the shares, I do not think it would be so stupid as to buy the shares at a price of say, $50 or $60, when the market is extremely robust. It should buy the shares at a time when prices have levelled off a bit and it should buy the shares in not such large amounts. The Government must first study the matter and devise some policy and tactics before it goes about to buy back the shares at a reasonable price.

Would other investors not be willing to sell the shares? This is an interesting point. If government policy is to buy back these shares, in the long run, the asset value and return of the shares will certainly drop. So those investors who hold these shares should think carefully and sell their shares at the right time. This is because when most of the investors have sold their shares and when government influence is felt, share prices will drop further. This would result in a kind of jumping the bandwagon effect. But this does not mean that investors will never want to sell their stocks.

Lastly, can the major shareholder make his influence felt in the management of a company? I would think so. The case is similar to the MTRCL. The Government has a 70% stake in the MTRCL. Although it is said that the MTRCL runs on commercial principles, to what extent is the corporation running on commercial principles? I am sure the Government will have some say after all in respect of the Fare Adjustment Mechanism which allows for rises or falls in fares.

President, I so submit.

**MR RONNY TONG** (in Cantonese): President, today, a newspaper carried a bold-type headline stating that this motion is a gesture of atonement of the democratic camp. Some colleagues have seized the opportunity to condemn the Democratic Party for voting for Mr Albert CHAN's motion back then. Earlier
on, Mr WONG Kwok-hing also queried members of the Article 45 Concern Group at the time, including me, for abstaining, which he considered was de facto opposing the motion. There seems to be unanimous disposition to lay the blame on Members in the democratic camp. These remarks are not only untrue, but to put it harshly, they are attempts to gain political advantage.

President, back to the truth, in 2004 when The Link was listed, the Legislative Council had not carried out any voting on this, for we had no authority to stop the Government. In a nutshell, the gravest problem with The Link was that the Government had turned a blind eye to the clashes and conflicts existing between principles of commercial operation and long-term policy for people's benefit right from the beginning, and it is still ignoring the problem to date. The clashes and conflicts were the most palpable during Donald TSANG's era. However, Donald TSANG claimed that the business sector would be spurred to make donations to fulfil their social responsibility via the establishment of the Community Care Fund. Indeed, this is a display of the Government's evasion of responsibility.

The Government, being a government of the people, should not put the public money received in its pocket but should spend it on implementing measures benefiting the public. It is totally wrong to think that by shifting the responsibility of implementing measures benefiting the public to businessmen, those problems can be solved by applying business principles. Therefore, the SAR Government but not Members should be reprimanded.

Let me remind Members of the event back then. During the period between 2004 and 2005, when The Link was due for listing …… Actually, I must sing praises of people's representatives like Albert CHENG, Mr LEUNG Kwok-hung, Mr Albert CHAN, TO Kwan-hang and CHEUNG Man-wai, for they had to face tremendous pressure and challenges in opposing the listing of The Link. At that time, leftist newspapers and the many members in the royalist camp provoked the public to accuse people opposing the listing of The Link, blaming them for "preventing others from getting rich" and dubbing them as "political swindlers causing chaos in Hong Kong". CHIM Pui-chung and the FTU organized a march against politicos. During the march, some people encouraged violence, making claims of killing Albert CHENG and chopping off his limbs. Such acts were absolutely in violation of the law on public order.
Certainly, the Government did not initiate persecution against them. It was evident that people opposing the listing were under intense pressure. I admit that I was also under enormous pressure at the time.

When Mr Albert CHAN proposed the motion in 2005, the golden opportunity to stop the listing had passed. At that time, the relevant procedure had entered the final stage, and the decision could no longer be overturned. I have reviewed the speech I made at the time, in which I stated unequivocally that I opposed the listing of The Link, in principle and in spirit. However, at that time, the event had developed to a stage where no decision could be overturned, I could not but abstain.

Regarding the motion proposed by Dr LEUNG Ka-lau in 2008, I have reviewed my speech made at the time. My opposition to this has all along remained unchanged. If so, why would I vote for the motion? In this legislature, our political stance is of the utmost importance. Honestly, I also want to uphold logic in this legislature. However, it is useless to talk about logic most of time in this legislature. Many colleagues did not follow logic when they spoke earlier. For instance, they said that the Government should not buy back 25% of the shares at three times price, for the shares would be useless after the buy-back exercise. In fact, I had expressed all these views in 2008. It is a matter of logic.

However, as the matter comes to this stage, when we cannot change the reality, we can only talk about political stance. Certainly, if our Government is elected by the people and if the Chief Executive is returned by universal suffrage, I think I may be able to convince him with logic, and we may have other options for solving the problem. However, this is not the case in reality. In that case, we can only talk about political stance in the legislature, that is, we oppose letting The Link to continue to operate the shopping arcades and car parks in public housing estates. This is kind of a political stance.

Mr LEUNG Kwok-hung's motion proposes buying back 25% of the shares of The Link. In business, this proposal is utterly anti-intellect. How can we buy back 25% of the shares with the money we obtained from the listing at the time? However, as I said earlier, and I also said this in 2008, what then if the Government has bought back the shares? Still, the Government will not use its
shareholder capacity to affect the principles of commercial operation. The case of the MTRCL is a typical example.

Moreover, as Mr Kenneth LEUNG said, the arrangement is made under the Trust Deed, the operation of The Link must be in compliance with the Trust Deed. Hence, even if the Government buys back The Link, the problem cannot be solved. Lastly, it is important that we oppose the arrangement, for we do not want the Government to repeat the mistake. In other aspects, the involvement of the public sector is required. Public facilities must be operated by the public sector but not the private sector. We should not expect businessmen who seek to make profit to shoulder the responsibility of implementing policies benefiting the public. This is the responsibility of the Government. If the Government shirks its responsibility, it is not worth as our Government.

Hence, be it logical or not, we in the democratic camp have no option but to give definite support to Mr LEUNG Kwok-hung's motion.

Thank you, President.

DR FERNANDO CHEUNG (in Cantonese): President, The Link has a definite link with monopolization, inflation and poverty. When one thinks of The Link, one will think of the constantly rising rentals. What is the outcome of such rental rises? As wool comes off the sheep's back, the higher cost borne by shop tenants for tenancy renewal will come from their customers, onto whom they shift the additional costs incurred, thus causing inflation. Moreover, small shop tenants are forced to move out and large consortia are brought into the shopping arcades. When these small shop tenants are forced out of business, they will soon become poor. Residents in public rental housing (PRH) estates will become poor in the face of rising rents and price hikes. Now, The Link is causing much worry and anxiety to many elderly persons, disadvantaged persons and the poor living in PRH.

Last year, several community organizations, including the Alliance Concerning CSSA, conducted two surveys on prices at markets. The first survey was a comparison of the prices of 20 basic food items and necessity items sold in four districts, namely, Tin Shui Wai, Yuen Long, Tuen Mun and Wan Chai. The result was surprising, for the prices in Tin Shui Wai were the highest
in the territory, which was 13% higher than prices in Wan Chai and Yuen Long on average. It is known to all that Tin Shui Wai is one of the poorest districts in Hong Kong. Nearly 60% of the area is covered by PRH, and in the northern part of Tin Shui Wai, the ratio of PRH reaches 80%. Yet in other districts in the territory, only one third of the area is taken up by PRH. On the other hand, we know that the spending power of residents in Tin Shui Wai is relatively weak, for the CSSA household ratio of the district is close to 30%, yet the prices of the district are far higher than the prices in Wan Chai where the median household income is as high as $27,000-odd.

The second survey was a territory-wide comparison of price increases last year in markets under The Link in the 18 districts. The results of the survey indicated that the prices of 21 food items and necessity items had increased by 21.5% on average. Among these, the increase in fruit prices was as high as 30%, whereas the price increase of three major food items, namely, fish, vegetables and meat, also reached 20%. It is evident that prices have increased substantially. Besides, the discrepancy of price increases among the 18 districts is very substantial. In districts where the price increase is modest, such as Shum Shui Po, Yau Ma Tei, Tsim Sha Tsui and Mong Kok, bazaar-type markets have been established to compete with The Link. As for districts facing substantial price increases, such as Lei Tung Estate in the Southern District, Kwai Fong Estate in Kwai Fong and Butterfly Estate in Tuen Mun, the prices are monopolized by markets under The Link. It is evident that price increase is not directly related to the affordability of residents in the districts. On the contrary, the poorer are facing a more difficult situation. The crucial factor is whether there is competition against the markets of The Link.

The results of the two surveys indicate clearly the close relationship between monopolization and prices. At present, The Link relies on its monopoly. Take Tin Shui Wai as an example. Nearly all six markets and shopping arcades there are operated by The Link almost like a monopoly. The Link co-operates with tenants of certain chain stores and large consortia to run monopolized operation. As in the case of supermarkets, there are but two supermarkets found in the shopping arcades, and these supermarkets may engage in price manipulation. Recently, Wo Che Market in Sha Tin has undergone renovation. We come across similar stories. The monthly rental for a hardware shop of 600 sq ft was $10,000-odd before the renovation, but after the renovation, it was increased to $50,000-odd at the renewal of tenancy. The Link
is actually forcing these small businesses to move out. If the problem is allowed to run its course, where can PRH residents buy affordable necessities and food?

The problem created by The Link has affected the livelihood of many people. However, many Members said earlier that buying back The Link was not a solution. Is it really that difficult? According to certain analyses, the proposal will involve $70-odd billion based on the present market value of The Link, and with the deduction of the $26-odd billion obtained from the listing back then, it will only cost $40-odd billion but not as much as $130-odd billion as claimed by Mr Kenneth LEUNG earlier. I am not conversant with such computations. Honestly, finance is not my strength. However, I am concerned about the livelihood of the public and their basic needs. The Link has put them in deep waters. Apart from small shop tenants, many elderly, disabled or feeble residents have to go farther away to buy cheaper food and vegetables because of The Link. Yet residents with mobility impairment are forced to bear with the expensive goods. Are we at our wits' end? No, I think buying back The Link is a feasible approach. As Dr LEUNG Ka-lau said earlier, our hands are not entirely tied when it comes to the rise and fall of prices in the market.

Finally, I would like to pay tribute to several colleagues and people's organizations opposing the listing of The Link back then, particularly Madam LO Siu-lan, for they had come under enormous pressure at that time. Today, we see officials promoting privatization and tilted to the interests of large consortia get away clean of the blame and continue to receive their pension or enjoy high salaries and positions. The world is really unfair.

With these remarks, I support buying back The Link.

MR FRANKIE YICK (in Cantonese): President, The Link Real Estate Investment Trust (The Link) has increased the rentals of its shops a number of times, thereby increasing the burden of small shop tenants. Worse still, the parking fees of most of the 80 000 parking spaces in the 170-odd car parks have also been increased. Such increases have not only affected customers, retail shop tenants and residents, but also increased the operating cost of commercial vehicles like taxis and goods vehicles. Recently, school buses and private minibuses, commonly known as "nanny vans", carrying school children have
been criticized for the drastic fee increase, and the repeated increases in parking fees and rents by The Link would more or less have a bearing on this.

The facilities of The Link are located in the vicinity of the homes of 40% of Hong Kong people. Many of the residents in these estates are professional drivers driving taxis, goods vehicles or nanny vans, who will park their vehicles at car parks in the estates they live or nearby estates for convenience of work and easy caring of their vehicles. However, since the car parks of the Hong Kong Housing Authority (HA) were taken over by The Link, The Link has not only made vigorous efforts to enhance the facilities of car parks, but also raised the parking fees drastically to increase the income from car parks.

On 1 April, last year, The Link increased the fees of its 55 car parks by an average of 7%, whereas the monthly rent for goods vehicle parking spaces was increased by 6%. Unexpectedly, it increased the fees of 70% of its car parks in May this year at an average rate of 7.6%. The 25 car parks in Wong Tai Sin and Kwun Tong were the most seriously hit, for the increase was as high as 8.5%, where the increase for more than half of the goods vehicle parking spaces reached 6.9%, even higher than the increase last year. According to the nanny van trade, back then, the average monthly rent for parking spaces in car parks of the HA ranged from $1,700 to $1,800. But since The Link took over the management of these car parks, the monthly rent has been increased to $2,000 to $3,000, which equals to an overall increase of over 30%. This has greatly increased the operating cost of the trade and they cannot but transfer the burden to parents by increasing their fees.

In recent years, the transport industry has expressed growing discontent as the business environment becomes increasingly difficult. Besides, they have to cope with increasing costs, such as double increase in insurance premium, surging oil prices and repairs and maintenance fees. All these have increased the burden of the industry. Apart from the substantial increase in car park fees, there are complaints from the nanny van trade about the management of certain estates having issued a notice to them, stating that due to the terms of the land lease, parking spaces in the car parks of The Link now rented to nanny vans are designated as goods vehicle parking spaces which can only be used by goods vehicles, and thus those parking spaces will not be rented to nanny vans at renewal. Over 500 vehicles are affected by this policy.
Due to their height and length, nanny vans can only be parked at goods vehicle parking spaces, whereas the number of public car parks providing such parking spaces is very limited, the shortage is acute. Since the time the HA managed the car parks, nanny vans were allowed to park at goods vehicle parking spaces in estates, but the supply of goods vehicle spaces has always been tight and even in shortage. The nanny van trade has all along been troubled by the problem of insufficient parking spaces. If The Link refuses to renew their lease, and even changes the fixed monthly parking spaces to floating monthly or hourly parking spaces to increase its income from car parks, the number of parking spaces will be reduced further, forcing drivers to park their vehicles in other districts, thereby increasing their operating cost further. If they can afford the additional cost, they may struggle to stay in business, otherwise, they can only quit. By then, the problem of shortage of school buses and nanny vans and surge in fees will deteriorate further.

Since the listing of The Link, its operation has in actuality deviated from the original concept. The year-on-year increase in shop rentals and car park fees has increased the burden of tenants and car park users, affecting the livelihood of estate residents and stifling the room of survival of small shop tenants, thus the Government should not turn a blind eye to this. The Government should address the problem through various channels to spur The Link to give due regard to its social responsibility. The Government should examine the feasibility of buying back the shares of The Link to become the significant or single shareholder, so as to exert influence on The Link and prevent it from making decisions to increase shop rentals and car park fees. In addition to this, the authorities should honour the promise made by the Chief Executive, Mr LEUNG Chun-ying, during the election as soon as possible, by examining the proposal of identifying sites for the construction of commercial facilities managed by the Government. Moreover, given the demand for parking spaces of different types of vehicles, the authorities should increase car parking facilities. The arrangement will offer more choices for residents in the districts on the one hand and lower the rentals and fees of shops and car parks under The Link with the introduction of some measure of competition on the other.

President, I so submit.
MR WONG YUK-MAN (in Cantonese): President, in its recent annual shareholders' meeting, The Link proposed acquisition of industrial buildings for conversion into shopping arcades in the future and planned to borrow more than $10 billion for property acquisition and identification of suitable industrial buildings for conversion. In June last year, The Link even spent $1.16 billion acquiring the Nan Fung Plaza in Tseung Kwan O. The Link has become an untamed monster. Its share price has recently reached a record high to more than $40, and is estimated by market participants to probably reach $45. The staggering profits made by The Link are actually founded on the dirt-cheap acquisition of public assets built up by taxpayers' hard-earned money.

The purpose of the motion proposed today by Mr LEUNG Kwok-hung for a second time is to remind the public that Chief Executive LEUNG Chun-ying undertook during his election campaign that he would study the identification of sites in public housing estates for the construction of government-managed commercial facilities to curb exorbitant prices and he also said publicly that the buying back of the shares of The Link could be studied. The Chief Executive has assumed office for more than 100 days, but no specific proposals have been seen yet. Has the Secretary put this matter on the agenda or in his scope of consideration? Or, like the "85 000 units" housing target proposed by TUNG Chee-hwa, does it cease to exist if it is no longer mentioned?

Mr LEUNG Kwok-hung has urged the Government to buy back a total of no less than 25% of the shares of The Link to become the major or sole shareholder, so as to exercise influence on The Link Management Limited, making it give consideration to corporate social responsibility. This request is most humble and, to put it bluntly, unrealistic. Nevertheless, members of the People Power and I definitely support the spirit of the motion. Under the separate voting system, the functional constituencies can definitely veto the motion, not to mention the fact that the current number of Members returned by geographical constituencies (GCs) through direct elections is only slightly more than half. If a couple of Members support the listing of The Link and automatically disappear, as what Mr SIN Chung-kai did, even Members returned by GCs through direct elections will lose under the separate voting system. Hence, even though the proposal of buying back The Link has been put forward more than once in this Chamber, I still find the motion proposed by Mr LEUNG Kwok-hung again today very meaningful. At least, it can simply reveal the monsters in the Legislative Council, which is plagued by monsters, for yet
another time. As we all know, it is impossible to buy back 25% of the shares of The Link. The Government will either ignore such calls or buy back all the shares of The Link in one go.

Through the live broadcast on television, I must remind people watching it that the Democratic Party and the DAB were not only responsible for causing all the motions sought to restrain The Link to be vetoed in this Council, they were also the initiators of The Link. The Democratic Party joined the DAB in supporting the listing of The Link on the ground that the Housing Authority (HA) was in financial difficulties. Back then, as Chairman of a Subcommittee responsible for investment, Mr Sin Chung-kai even bragged that he would call upon Victor SO (the Chief Executive Officer of The Link) to step down should The Link increase rents in a few years' time. Now, Victor SO has resigned but not for this reason or because Mr Sin Chung-kai has requested him to step down. At that time, Mr Sin Chung-kai really looked bright and brave and very smart, too. Some PRH tenants and shop tenants felt slightly relieved because they were assured by Members of the Democratic Party and the DAB that they could put their mind at ease for The Link would not be allowed to increase rents frantically. But, what has really happened? President, there is no need for me to elaborate on the frantic rent increases that have driven small shop tenants into extinction. I have only two minutes left.

Today, three political parties have proposed amendments to Mr LEUNG Kwok-hung's motion, including the Civic Party, the FTU and the DAB. Members should know very well why the Democratic Party has not proposed any amendment. It was a pity that I had to stand trial in court today and could not listen to Mr SIN Chung-kai — I wonder if he has spoken, Brother Hung? I will have a lot to say if I had heard his speech. Although I support the spirit of Mr LEUNG Kwok-hung's motion, I have to point out some practical problems. According to our experience in dealing with the MTRCL, I am afraid even buying back more than 25% of the shares of The Link will still not help the matter.

With its southern part controlled by the Cheung Kong (Holdings) Limited and its northern part controlled by The Link, Tin Shui Wai follows Sham Shui Po to be the second poorest district in Hong Kong. After factoring in travel expenses, food prices in Tin Shui Wai are even higher than those in Yuen Long.
Furthermore, the social life of the residents living in Tin Shui Wai is seriously affected. Not only are there "hidden youths", there are also many "hidden elderly persons". It is detestable for the SAR Government to continue conniving at The Link to reap staggering profits from grass-roots public housing tenants and shop tenants. We have repeatedly proposed to the SAR Government that The Link be bought back. The financial tsunami two years ago and the plummeting of Hong Kong stock prices were supposedly good opportunities for buying back the shares. It is really difficult to do so today. Anthony CHEUNG will have a lot of justifications.

Nevertheless, I must say that Mr LEUNG Che-cheung of the DAB has castrated the request made by Mr LEUNG Kwok-hung for the Government to buy back not less than 25% of the shares of The Link with his amendment that proposes that studies should be "conducted on the advantages and disadvantages of the buyback of the shares of The Link". I find his behaviour most shameless. He had better keep his mouth shut. Who supported the listing of The Link in the first place? The People Power will support the amendments proposed by Dr KWOK Ka-ki and Miss CHAN Yuen-han.

President, I so submit.

MR VINCENT FANG (in Cantonese): President, it can be said that the retail, catering and services industries have mixed feelings towards The Link, because it is a pretty good management company of commercial properties, willing to invest a colossal sum of money in makeovers of shopping arcades and markets of good locations and better quality. Consumers visiting these places will feel that they are now completely different, compared to the time when they were managed by the Housing Authority (HA). Some events will also be organized in these shopping arcades to boost their exposure and flow of people, something these shopping arcades could not have achieved when they were managed by the HA.

However, the market is led by the economy. One must pay a price for better good services. Hence, shop tenants of The Link must pay exorbitant rents and management fees, and shoppers of The Link must buy expensive commodities, too. These shopping arcades and markets were originally built to complement public housing provided by the Government. One of the characteristics of public housing tenants is the relatively large number of
low-income earners. Coupled with the fact that the majority of public housing estates were built a long time ago, the problem of ageing population is quite serious and spending power is relatively low, too. Can these people afford exorbitant spending? Is it suitable for such lavishly-decorated shopping arcades to be built near public housing estates?

The initial purpose of the sale of the majority of the shopping arcades under the HA was to, on the one hand, upgrade the level of the relevant facilities through commercial management and, on the other, bring in cash for the straitened HA to meet needs of sustainable development. There was originally no problem with the concept, only that when the area of these shopping arcades was sold, the HA did not specify clearly that the buyer must fulfil social responsibility, that is, provide essential services in the places where the properties are situated. Hence, The Link is free to bring these properties to perfection. Rents have to be increased whenever renovation is carried out. As the original markets are turned into shopping malls in order to bring higher revenue, many small and medium enterprises (SMEs) are forced out of business. As a result, public housing tenants are not provided with essential services. Although the management of The Link is better than that of the HA, shop tenants have to face continual rent increases, or even forced eviction, the tendency of the mix of shops in shopping arcades getting homogeneous and lacking characteristics, and consumers being compelled to buy exorbitant commodities. Moreover, they may even fail to buy anything in these shopping malls.

I will support a conditional buy-back of The Link rather than buying back 25% of the shares of The Link, as proposed in the original motion. This is because, if the Government is a minority shareholder, it can simply not assume a leading role in the policy of The Link. In addition, The Link is managed in accordance with the provisions of The Link Real Estate Investment Trust. It must be completely privatized before its mode of operation can be changed. If The Link is bought back, will the Government know how to manage the shopping malls as what The Link did? It is pointless to waste money if these shopping malls will be restored to the state before they were sold to The Link.

As mentioned by many colleagues just now, it is absolutely not an easy task to buy back The Link today, for at least more than $100 billion will be involved. In the opinion of the Liberal Party, it would be better to adopt another kind of measures to counteract The Link than to offer the capital to
foreign-funded enterprises. The measures should include: First, the Chief Executive should expeditiously honour his undertaking to the wholesale and retail sectors of increasing the commercial area; second, insofar as land planning is concerned, additional commercial facilities of the same kind should be provided in places currently occupied by The Link to provide small shop tenants originally operating there with more choice. More importantly, the HA should optimize the shopping malls and markets currently available to provide services to SMEs and public housing residents. As mentioned by the Secretary just now, the Domain is a newly completed shopping mall operated by the HA in Yau Tong. It is also the latest and biggest shopping mall under the HA. I am a member of the HA. When the mode of development of the Domain was discussed that day, every participant expressed the wish that the Domain could become a high-end shopping mall and that major chain stores should be introduced into the shopping mall. Such being the case, what is the difference between the Domain and the shopping malls under The Link? Consequently, I as the representative of the commercial sector was the only one who called on the HA to retain a certain area for non-chain shops, so that applications can be made by individual tenants with characteristics.

Therefore, the HA should now proceed to fully capitalizing on the shopping malls and markets still available to fully discharge its social responsibility and retain a certain proportion of area in each and every shopping arcade for SMEs and trades and industries with characteristics, including conventional industries. As for the trade mix in shopping arcades, there is an even greater need for a healthy and suitable distribution. Is this approach more proactive than our annual discussions on buying back The Link? Therefore, we will only support the amendment proposed by Mr LEUNG Che-cheung, who shares the same belief of ours.

I so submit. Thank you, President.

**MR ABRAHAM SHEK:** President, at the time when the Government beseeched the Legislative Council to endorse the privatization programme in 2004 and 2005, it stated that the profits generated from the sale of the facilities of the Housing Authority (HA) would be used to construct public rental housing (PRH) units. Mr Justice BOKHARY, at that time, also took this into account in the Court of Final Appeal's judgment in the case between Ms LO Siu-lan and the HA which provided the listing exercise with a legal basis. Yet, this pledge has remained
mere rhetoric: the actual construction volume of PRH units per annum has never surpassed the level reached in 2004-2005 when the promise was made, when at that time, 24 000 PRH units were constructed. In the 2011-2012 period, only 11 000 PRH units were built, and the number of PRH units constructed annually between 2005-2006 and 2011-2012 was only about 13 900 on average. The Government has not only broken its promise, but also misled the Judiciary. This is just another unpaid cheque that the Government and the HA owe the people.

No one doubts the capacity of The Link, as it has successfully revamped the once poorly managed commercial and parking facilities under the HA into a lucrative business, as it is now, that offers a classic example of how business principle can outperform bureaucratic leadership. However, there are doubts about whether The Link has any social corporate responsibility, and whether the Government has properly performed its role in dealing with the aftermath of the divestment and listing exercise. Unfortunately, the Government has once again shown how it is capable of turning something good into something bad, and from bad to worse.

Privatization itself is not wrong. The continuing controversy over The Link issue concerns the Government's disposal of public asset at a knock-down price, which was a gross blunder. During the fierce debate in this Council in 2004 and 2005 on privatizing the HA's assets, while I supported the privatization in principle, I forewarned the Government that its approach for calculating the HA's assets was wrong — but this was defended by Mr SIN Chung-kai — as it took no account of the construction costs and the considerable land premium. But the Government refused to listen then and insisted on selling the HA's assets at an extraordinarily low price. As a result, the price of a parking space was set at a ridiculously low price of $47,000, compared to the then market price of $200,000 in the New Territories. Likewise, the Lok Fu Shopping Centre was valued at only $3,000 per sq ft, a price that did not even cover the land premium, President. Only the shareholders of The Link benefited. That is why the price is so high today, and it was to the detriment of the public coffers and to those people living in the HA's estates.

President, the public outcry against The Link has evolved into a wider social discontent because it appears that the interests of the general public and the small tenants have been undermined. The logic is simple. Those HA assets used to serve the community and residents in respective districts. However,
over the past seven years, the accumulated rental increases imposed on the shop tenants operating in The Link's shopping malls have reached 74%. Small businesses have thus been squeezed out, and only famous brands and chain stores that can afford the high rents are welcomed. This practice has caused people to complain about reduced choice and inflated prices for commodities, including daily necessities, and their livelihood suffers.

I call on The Link to show some corporate social responsibility. This will surely help The Link to rid itself of the notorious reputation as "an unscrupulous vampire" and will be conducive to the long-term development of the corporation. The only question is whether The Link will look at the issue with far-sightedness instead of chasing profits indiscriminately.

President, if we blame The Link simply because it acts on business principles, then the Government deserves more blame for acquiescing to the sufferings of the people and ignoring the responsibility immediately following the privatization. Privatization of public assets is not and cannot be the end of the Government's responsibility. Section 4(1) of the Housing Ordinance stipulates that the HA is responsible for providing housing and ancillary facilities, including the shopping arcades, recreational facilities, and so on, for the enjoyment of the public housing residents.

Some colleagues suggest that the Government should buy back 25% of the shares of The Link and at the same time, install and run similar facilities in the vicinity of The Link to create more competition. However, this would be tantamount to lifting a rock only to drop it on the Government's own feet. Buying back shares is not the answer. I agree with Vincent of the Liberal Party that creating competition will be the answer. Hit The Link where it hurts most in its own area. This is what they should do, and not to buy back The Link at an exorbitant high price to the benefit of the shareholders.

President, I vote against the motion.

MR CHAN CHI-CHUEN (in Cantonese): President, there have been endless criticisms since the listing of The Link, which is probably the most controversial and most cursed listed company in Hong Kong. The main reason can be summed up as rampant rental increases. Since 2005, The Link Management
Limited (The Link Management) has posted an average rent increase of 9.1% and an accrued rate of increase of up to 74%. This adverse consequence of privatization of public assets has eventually been passed onto the general public.

Besides, the rent increases year after year by The Link Management have made it difficult for small traders who have been operating for half of their life to eke out a living. As a result, countless small traders have been compelled to move out or forced out of business, eventually leading to the closure of the majority of shops with characteristics. Only chain stores can now be seen everywhere.

Internally, the elementary employees of The Link Management are being suppressed. For instance, outsourced cleaners are not given paid rest days and meal times. The establishment of security guards was proposed to be revised from a three-shift to a two-shift system to cut manpower while increasing the number of working hours. Although this plan was finally shelved and the three-shift system retained, the operation mindset of The Link Management is very obvious.

Judging from what is seen today, the various ills of The Link Management were initiated by all those senior government officials and short-sighted politicians who proactively promoted the privatization of public assets back then — though they have never been heard of since then — and the media which were fanning the flames and people shouting for the listing of The Link.

The proposed listing of The Link back then was attributed to, among others, poor operation and chaotic management by the Housing Authority (HA). It was hoped that various problems, such as high vacancy rates, and so on, could be addressed effectively through the privatization of The Link. Another reason was that the HA was at that time facing financial difficulties. In this connection, the divestment of the shopping malls and car parks under the HA brought in more than $20 billion subsequent to the realization of the facilities to maintain its operation and future development.

Without a doubt, the privatization has raked in a colossal sum of money and addressed the urgent need of the HA. In a departure from the previous poor operation of the HA, The Link Management has stepped up efforts over the years in renovating, retrofitting and converting the shopping malls. With a letting rate of up to 90%, the proceeds of The Link can be described as rising continuously.
Its share price has even once hit a high of $41, and remains at over $40 today. For the market, such a brilliant result is indeed praiseworthy. However, is this the real picture?

If we look at the community’s comments today, we need not adduce a lot of studies. We just need to cite one example to get an idea of the general public’s comments on The Link Management today. Early this year, The Link Management launched a publicity campaign called "Link the Tastes" highlighting the characteristics of old shops in the old Hong Kong community. But soon after the launch of the campaign, there was extensive criticism in the community, accusing The Link Management of shedding crocodile tears. On the one hand, old shop tenants running a small business were being driven away by The Link, but on the other, there was a publicity campaign promoting the search for old flavours. On a designated page of a social networking site, there were countless messages joining the chorus of condemning The Link Management for being merciless. Many netizens have even made a mockery of the event "尋味時光 (Link the Tastes) " and called it "尋你老味" instead. In the end, such a large-scale publicity event came to a tragic end.

Why is there such a big gap between The Link, despite its brilliant achievement, and public opinion? It is precisely because of the Government's short-sightedness and its sole concern about immediate benefits without regard for long-term development in the interest of Hong Kong people. Being a listed company adhering to the market principle, The Link is commercially run with emphasis on shareholders' interests and achieving profit growth and increasing share prices as its goal. However, we must bear in mind that the vast majority of the places managed by The Link Management are public assets. Under the Housing Ordinance, the Government is obliged to provide reasonable daily necessities to housing estate residents. In this regard, the performance of The Link Management has failed completely to satisfy the needs of the housing estate residents.

Faced with the dilemma of the market objective and social responsibility, The Link has merely pursued the former and given up striking a balance between the two. The Link can simply not shirk its responsibility. However, we think that the Hong Kong Government and all the politicos supporting this proposal should shoulder the biggest responsibility for this. Thanks to their

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1 The expression "尋你老味", which is a word play on "尋味時光", is foul language.
short-sightedness, all the public housing shopping malls, accounting for approximately one tenth of the retail area in Hong Kong, have been ruined by the profit-chasing tycoons.

Despite the possible adverse consequences pointed out a long time ago by people and Members opposing the sale of the facilities to The Link, these officials and politicos, who were eager for quick success and instant benefits, cheated Hong Kong people with temporal dividends, so that public opinion at that time was entirely supportive of the sale of the facilities to The Link, thereby resulting in the bitter fruit savoured by public housing residents today.

This is not the first time the proposal of buying back The Link was put forward in this Council. A motion on buying back 20% of the shares of The Link was already proposed by a Member as early as 2008, though it was negatived at separate voting. A motion on buying back the shares of The Link was proposed again by a Member today because the Government has never shouldered its responsibility, completely disregarded the demands of public housing residents, and regarded The Link as splashed water unworthy of serious consideration. The Government has no courage to face the problems, not to mention taking practical steps to resolve the problem with The Link.

Buying back 25% of the shares of The Link is only one of the options. It can be described as the first step, too. I agree with Miss CHAN Yuen-han that a two-pronged approach should be adopted by formulating other ancillary measures, such as providing additional markets and bazaars, and redeveloping some publicly-run commercial facilities, and so on. If the Government can still not exercise checks and balances on the management of The Link after becoming the sole shareholder or fails to come up with a proper way to buy back The Link, then other competitors should be introduced to balance the needs of the community.

For the SAR Government or Members voting in favour of the motion back then, it takes courage to confront past mistakes. I hope the Government can stop evading its responsibility and address squarely the aspirations of the residents instead.

I so submit.
PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR FREDERICK FUNG (in Cantonese): President, at a time when the whole world is still bearing the evil consequences brought about by the financial tsunami and various nations are still living under the shadow of an economic recession, the SAR Government has not learnt any lesson but continued to rely in a lopsided manner on the free market, adhere strictly to its *laissez-faire* policy and seek temporary peace under the "big market, small government" framework. The new Government's so-called principle of "appropriately proactive" governance is actually no different from following established rules and a pack of lies.

President, the financial tsunami has taught people how greedy private enterprises can be, and how they could go so far as employing some extremist practices for the last cent of profit. Using financial innovation as packaging, the banking industry has churned out a lot of undesirable derivative products to poison the market. The "bursting of the bubble" has not only created a risk of institutional collapse of the financial system, taxpayers are also required to offer substantial assistance and subsidies.

In addition, when the whole world is concentrating on ways to alleviate the impact of the financial tsunami and real economy to prevent the economy from slipping into a recession, the banking industry, being the head of all trades and industries, has "taken away the umbrellas in rainy days" by tightening credit without any regard for the interests of society as a whole, thereby dealing a further blow to the real economy.

President, owing to the unprecedented financial tsunami, the world has to reconsider market positioning. Enhanced monitoring and regulation of market behaviour, and even proactive government intervention, and so on, have become the stance and consensus of the governments of various countries.

The Hong Kong Association for Democracy and People's Livelihood (ADPL) has long since emphasized that the notions of "positive non-intervention" and "big market, small government" of the Government's established philosophy of governance do not work at all. The *laissez-faire* mentality of the free market is in essence one of the root causes of social conflicts. Obviously, the unitary
development of the economic structure, the operation of commercial activities behind closed doors, the monopolization of people's livelihood in various spheres, and even the neglect of elementary workers are seriously flawed. How many major livelihood issues considered as the main focus will be left to be tackled by the market?

President, the ADPL has all along been opposing the listing of The Link, the sale of government assets at dirt-cheap prices, and the handing over of public facilities with social objectives to profit-making enterprises for operation. The ADPL cannot accept public housing shopping malls, originally built to provide public housing residents with cheap and quality daily necessities commensurate with their living quality, reduced to profit-making tools for private enterprises. Such enterprises will only make public housing residents pay exorbitant prices for commodities and services and stifle the viability of small traders. As a result, all public housing shopping malls are moulded in the same pattern, and the characteristics and uniqueness of public housing estates and their shopping malls have become increasingly less distinct.

I still recall the serious warnings sounded by the ADPL when the idea of listing The Link was conceived by the Government that The Link Management Limited will definitely operate public housing shopping malls purely in accordance with commercial principles in the name of "private management" and "enhancing operational efficiency". Not only did the ADPL oppose the realization of its precious assets by the Housing Authority (HA), it also condemned the Government for turning a blind eye to public interests. In our opinion, the concept and underlying motive of the sale of public assets and even the arrangements of the actual operation are obviously unfair and flawed and will have an adverse impact on the finances of the HA, the tenants of public housing shopping malls, and even public housing residents. As I pointed out earlier, the evil consequences have emerged one after another today, with hundreds of public housing residents and small traders being victimized.

President, over the years, we have seen The Link Management use a variety of high-handed means to manage commercial facilities. Not only have tenants been compelled to move out and refurbish their shops and small traders compelled to cease operation, The Link Management has even introduced major chain stores through the reorganization of the mix of trades and industries in its shopping arcades, thereby stifling the vitality of small shop tenants. A survey
has revealed that, of the 1,600 shop premises in the 16 shopping arcades under The Link Management, approximately 70% are operated by chain groups. What is more, The Link Management has increased rental year after year according to the market mechanism. In the first six months of this year alone, the rate of rent increase has even reached 21% for the renewal of tenancy agreements, and even doubled for individual shop tenants.

It is thus evident that small traders with low bargaining power are preyed on freely by The Link Management in the course of determining rentals. In the end, the substantial increase in operating costs can only be passed onto consumers, thereby making it even more difficult for public housing residents to scrape a living. Things like this are not doing society as a whole any good. Moreover, they will only cause discontent among public housing residents and create social stability.

The proposal of buying back The Link was put forward by the ADPL a long time ago. Given the profit-making operational and management practice of The Link Management has not only stifled the vitality of small traders but also disregarded the interest of public housing residents, the ADPL has proposed in its platform the introduction of competition as a means of counteracting the impacts by, for instance, building small shopping malls in housing estates near the shopping malls under The Link Management and earmarking street shops for lease to small traders.

As regards the proposal of buying back The Link to alter the existing system of rental determination and even revamping the entire trade practice through holding a certain amount of controlling interest, despite the high cost of buying back The Link — the buying back of 25% of the shares is estimated to cost up to $20 billion — I think the option of addressing this lingering pain once and for all with a one-off expenditure is still worth consideration when there is no other option.

I hope the Government led by LEUNG Chun-ying can cease hiding in the straitjacket of "big market, small government" and "free market" while engaging in empty talk on "appropriately proactive" governance that turns out to be just an act of "muffling one's ears while stealing a bell" with total indifference to the big profit-making monster, The Link Management. LEUNG Chun-ying, you must demonstrate your courage and stop playing "hypocritical rhetoric". Before the election, you copied the livelihood-related platform of the pan-democratic camp
to catch people's eye, but threw it away after the election. LEUNG Chun-ying, you must take concrete steps to identity land for housing estates and introduce competition after taking the helm to put the proposal of buying back The Link into implementation.

I so submit.

MR ALBERT CHAN (in Cantonese): President, I find it heartrending whenever The Link is mentioned because it has been almost 10 years since the Housing Authority (HA) sold its facilities to The Link, and people seem to have lost interest in this matter. However, this move by the HA has left tens of thousands, hundreds of thousands, and even millions of people caught in difficulties in making a living, with small shop tenants and vehicle owners compelled to pay exorbitant rents. Some small shop tenants have even been forced out of business, and members of the public compelled to buy commodities at exorbitant prices.

Earlier on, I was told by a seafood stall owner in Tin Shui Wai that she had given up her seafood stall and incurred a loss of more than $1 million. Come to think about this. Even a seafood vendor in the market could have sustained a loss of more than $1 million. A grocery store owner has also been forced to wind up his business after a single landlord refused to renew his tenancy agreement because of his opposition to the monopolization of the market years ago. As a result, this owner, who is in his fifties, has to find a new place before he can continue operation. However, in the face of exorbitant rents, difficulties in maintaining operation and continuous losses in the past, he was forced to work like a mule in the end. Things like this abound.

I was among those who opposed the listing of The Link at that time. It happened that I learnt of the Government's intended sale of the shopping arcades under the HA to The Link. I felt that the sale contravened the Housing Ordinance and so I consulted Mr Ronny TONG and Mr Martin LEE. Three of us even went through the Ordinance in the former Legislative Council Building. Both Mr TONG and Mr LEE concurred that the sale was in breach of the Housing Ordinance. We even compelled "Tai Pan" to subsidize $50,000 because we had to raise funds for a judicial review subsequently filed by a public housing resident.

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2 "Tai Pan" refers to Mr Albert CHENG, a former Legislative Council Member.
This was the origin of the storm of opposing the listing of The Link. We were even condemned by others for "blocking people to make a fortune". However, it was later found that our comments were absolutely right. First, the listing of The Link was indeed in breach of the Ordinance. Even though the judicial review was rejected, it was justifiable in spirit. Members will note that the listing of The Link was in breach of the original intent of the Ordinance, whereby public housing shopping arcades have to serve public housing residents, should they care to look at the misery faced by people living near the public housing shopping arcades managed by The Link.

Second, we pointed out at that time that the valuation of the assets was on the low side, but no one agreed with us. The best case in point cited by me was the price of parking spaces in Tin Shui Wai. At that time, the parking spaces in Tin Chung Court, Tin Fu Court and Tin Yuet Estate were valued at $40,000 each. However, the prices of parking spaces in the car parks in Kingswood Villas, which is just a street away, could reach $200,000 each. Despite such an obvious example, the Government seemed to have fallen asleep. I think there is no need for me to elaborate on the situations in other shopping arcades.

President, in December 2005, I wrote a paper on the exceedingly low valuation of the shopping arcades and car parks under the HA and submitted it to the Government. However, the paper fell on deaf ears. The market value of The Link has now risen threefold, for its share price has risen from $10 at that time to $40 now. It is thus evident that following the sale of public assets at dirt-cheap prices, there was ultimately a blatant transfer of benefits.

During a meeting with LEUNG Chin-man after the sale of assets to The Link — the meeting was held in the HA Headquarters and, as if a major event was going to happen, more than 10 Deputy Directors and Assistant Directors met with two or three of us — I told him that the HA had to do some good deeds because it had acted against its conscience, despite the handsome profit made. Instead of requesting him to do big deeds, I only offered him three pieces of advice.

Upon hearing my first piece of advice of installing elevators in a number of seven-storey public housing buildings under the HA without elevators, LEUNG Chin-man promptly instructed a Deputy Director to perform this task expeditiously. Hence, Members can now see that works are being carried out in
public housing buildings without elevators. However, the DAB is now claiming the credit, saying it has "succeeded in fighting for the installation of elevators". In fact, it was all because LEUNG Chin-man had done a lot of things against his conscience that he undertook to carry out the retrofitting works.

My second piece of advice was to install drains for air-conditioners because the air-conditioners in many old buildings were without drains. Upon LEUNG Chin-man's instruction, works were carried out promptly. My third piece of advice was to improve the environment of public housing estates, including providing additional works of art and green facilities, so that public housing residents could lead a better life. Nevertheless, things like this could not make up for the evil consequences caused by The Link. Some time ago, the rents of some parking spaces in car parks were increased three times within a year, and the rent of some parking spaces nearly doubled from $900 or so five years ago to $1,700 now.

President, what solution can the Government offer? A full or partial buy-back of the shares of The Link — unless LEUNG Chun-ying came to some sort of awakening or came to realize that he has to do some deeds because he has acted against his conscience. A full buy-back of The Link may now cost $10 billion. However, the Government may opt to buy back some shares of The Link rather than all of them. As The Link has more than 10 shopping arcades in Tin Shui Wai, the Government can buy back at least a couple of these shopping arcades to balance the development of the district. Another solution is for the Government to build car parks, shopping malls and markets in places near the districts under the control of The Link (such as Tung Chung and Tin Shui Wai), to reduce monopolization by The Link.

President, I would like to take this opportunity to condemn the Democratic Party because it was the chief culprit responsible for the sale of HA assets to The Link. If not for the Democratic Party's support for the sale proposal at that time, I believe the Government might not necessarily be willing to press it ahead full scale. It was precisely due to the Democratic Party's support for the proposal that members of the public were dragged deep into hot water.

Prof Anthony CHEUNG was once a deputy chairman of the Democratic Party, but I have no idea if he had quitted the Democratic Party in 2004. If he was still a deputy chairman or member of the Democratic Party at that time, he
should be counted as one of the chief culprits, too. Now, he should take the blame and bow and step down.

President, I hope the Government can learn from the bitter lesson in this incident and understand why it should halt the sale of public assets full scale.

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

**MR PAUL TSE** (in Cantonese): President, I believe that nowadays, apart from the Hong Kong Government, the organization that is most prone to being pummelled is none other than The Link. This is because Members who work at the front-line and in local communities would find, to various extents, that whenever they talk with the public about The Link, a barrage of invectives would naturally fly around. Precisely for this reason, in election years, issues relating to The Link would be sensationalized into major issues on which political parties trade barbs.

I believe that the public, in watching the debate today, apart from feeling helpless, may also shake their heads and sigh at the fact that Honourable colleagues in the Legislative Council have used the decision made back then as the reason to launch attacks on each other. This is because we are not conducting a death inquiry to find out which political parties made mistakes back then or who was wiser. I believe what the public wish to see is how we address the problems that have now arisen and put forward more practicable solutions.

President, although I am no longer a representative of the tourism sector, each time I passed by tourist districts, including Tsim Sha Tsui, Central and of late, Causeway Bay, I had the feeling that we are not giving visitors a fair deal. This is because Hong Kong, as a shopping paradise, have earned quite a lot of money from visitors but the facilities provided to them are pitifully limited. It looks as though they were not visitors buying quality brandname goods but refugees waiting for elms. If Members do not understand what I am talking about, they need only go to the entrance of Sogo Department Store on Hennessey Road and take a look at the visitors waiting there for the department store to open
in the morning or waiting to enter shops in the evening every day and Members will know what I mean.

President, such a situation precisely highlights the fact that there may be a policy mistake in respect of the issues relating to The Link. However, more importantly, this is also the consequence of the drastic increase in the number of visitors created by the policy of the Individual Visit Scheme implemented in the past few years. Instead of saying that the ordinary residents of housing estates are affected and victimized, in fact, the misery and oppression experienced by all small shop operators in the retail industry, including shop operators in shopping arcades not under the management of The Link or not located in housing estates, may even be worse, only that there is no channel for them to complain about their misery and The Link, being a very convenient object for pummelling, has lent itself to us as a convenient target.

According to the figures from 2005, when The Link was listed, to 2011, it can be seen that the turnovers of the retail sector have doubled from $200 billion to $400 billion. From 2005 to 2011, the employment rate in the retail sector increased by about 17%. However, in the same period, the total floor area used for retail purposes increased by only about 13%, so it can be said that it has lagged far behind and the shortage is very serious. Therefore, the problem of a serious shortage of land is not just confined to the construction of public housing alone. The land for commercial use is also utterly inadequate, thus leading indirectly to whopping increases in the rents of shops in general.

In the same period, the rental value of the retail space in the private market increased by 35%, whereas the rental value of the shops managed by The Link increased from about $23 per square foot in March 2006 to about $35.8 in March 2012, so the annual rate of increase was only 7.7% on average. Compared with the increase of 35% in rental value in the private market, the annual increase of 7.7% in the rental value of the properties under the management of The Link is arguably blameless, particularly given that I have lived in So Uk Estate for a number of years before and know full well how the quality of the shopping arcades or shops managed by the HA is like. Compared with the facilities or management provided by the present management organization, The Link, an increase of 7.7% is arguably quite good value.
Of course, Mr Vincent FANG was right in saying that to the grassroots living in public housing estates, this is a mismatch. There is no doubt that the facilities, services and management provided by The Link are excellent, but they may not meet the needs of the grassroots. Indeed, it is possible that there was oversight in this regard when the decision was made back then.

However, having come to this point, how should we deal with this matter? I personally do not believe that buying back the shares is a feasible option. Instead, I am more inclined to supporting the proposals put forward by some Members just now, for example, putting in place shopping arcades and even low-cost facilities better suited to the needs of the grassroots on the supply side, so that the public can have more choices, as suggested by Mr Vincent FANG. This is a more practicable option to deal with the problem. As regards buying back the shares of The Link, apart from the fact that 25% of the shares would not serve much purpose, Mrs Regina IP's point was absolutely justified in stating that even if a shareholder holds 25% of the shares, he still cannot influence the decision-making process of a company arbitrarily and do harm to minority shareholders. Therefore, a truly feasible course of action is to do more on the supply side and make more efforts on promoting competition. More importantly, I hope that in relation to the decision at that time, Members would cease to discuss who made the biggest mistake and which political party is the worse. This would only be a waste of time. Rather, it would be more appropriate to focus on dealing with the problems. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you may now speak on the three amendments. You have five minutes.

MR LEUNG KWOK-HUNG (in Cantonese): President, I have five minutes of speaking time left. This is the first time that I have five minutes of speaking time left. This is the first time that I did not spend all 15 minutes of my speaking time in my opening speech.
PRESIDENT (in Cantonese): The time left after you have delivered your speech in moving the motion is for you to give a reply at the final stage later on. At this stage, you can comment on the three amendments for five minutes at the most.

MR LEUNG KWOK-HUNG (in Cantonese): President, the three amendments share similarities as well as differences. First, I am grateful to members of the FTU and the Civic Party for proposing amendments to my motion, so that the motion can be made more comprehensive and better conceived.

In fact, in sponsoring a motion debate here, I have taken a very calculated approach because I know that this motion would not be passed and that it is not binding. This being so, what is my rationale? The more vehemently Members lambaste a buy-back of 25% or 100% of the shares, the more it can be shown that the Government has done nothing to honour its past promise or eliminate the possibility of doing this sort of thing again. I really hope that someone would lambaste me even more ferociously. I am really grateful to them. The question is: Why did not someone stop this matter on the track back then? Therefore, I do not plan to say too much about the amendments.

However, on Mr LEUNG Che-cheung's amendment, somehow, I cannot appreciate its subtleties. What he said was somewhat contradictory, in particular, he queried whether or not buying back 25% of the shares was tantamount to agreeing with the privatization scheme in the form of The Link and giving this scheme further recognition. In this regard, he may have some misunderstanding. On the proposal to buy back 25% of the shares, I have explained a number of times that I have never said the Government would be able to gain control by such means. My intention is to enable the Government to convene general meetings when necessary, or ensure that it can do so by such means because it is only necessary to own 10% of the shares for one to call general meetings, while a shareholder with 25% of shares can call general meetings with the consent of two representatives or just by himself. In other words, there is such a mechanism and the Government can intervene through this platform when The Link is doing something bad or when it hopes that The Link could do something good. Now, Members are exhorting and beseeching in tears, asking The Link to do something good but, buddy, would it do just to talk here? There must be a platform, so I have adopted this approach.
I also wish to respond a little to the call made by many people asking Members not to support my motion, which is described as simply "daft". If the share price of The Link continues to rise, buying back the shares would yield gains that can be accounted to the coffers as revenue, but it seems this issue is far too complicated, so I do not wish to dwell on it here. Today, I only hope Members will understand that I am grateful to Members for proposing amendments to my motion. It means you have given your attention to it. So long as you have given your attention to it, the result that I wish to see has been achieved. If my motion cannot be passed today but your amendments are, this can also serve as a reminder to the Government because the whole spirit of the motion is to ask the Government to do something, in particular, to remind Mr LEUNG Chun-ying that he should not just make such inflated remarks by saying that he would consider buying back the shares of The Link.

Frankly speaking, does anyone mean that it is Mr LEUNG Kwok-hung's responsibility to consider how to do a good job in buying back the shares of The Link? I did not cause this internal strife in the first place, nor was it me who wanted to secure the votes of 1200 people. Just now, Mr Michael TIEN said that he could not support my motion, but he has not proposed any amendment either. However, buddy, do you think I know nothing about this? He has just got the issue of where the responsibility lies wrong. In fact, be it those people who criticize me or those who call me daft, they all belong to the powers that be and they can really do things that I, in my naivety, do not know can be done. Therefore, I advise them to reflect on their mistakes in their solitude and why initially, they did not prevent this from happening. Now, I have reminded them to put in place checks but they have shifted the responsibility of putting in place checks onto me. There is only one Government with executive power in Hong Kong. It is not the Legislative Council run by you but the Government and it is the Government that should be subjected to Members' lashing. What is the good of lashing me? The Government has created a demon and naturally, it has the power to slay it.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I am grateful to the 30 Members who have spoken.

Many criticisms against The Link were voiced and they all conveyed the hope that the Government could do something. Seven years ago, the major aim
of the then SAR Government in deciding to divest the Hong Kong Housing Authority's (HA) retail and car-parking facilities is to enable the HA to focus on discharging its function of providing subsidized public housing. The purpose of handing over the operation of commercial facilities to the private sector is to achieve higher efficiency and enhance the quality of retail services. Moreover, the listing of The Link in 2005 brought a cash income of about $34 billion to the HA. It provided the HA with adequate cash flow to help the sustainable development of public housing projects.

Regardless of whether or not the decision back then to divest the commercial assets of the HA to The Link for listing was correct, nowadays, the Government should not talk about buying back The Link lightly. In my opening speech, I also analysed and explained in detail why the Government, after study, considered the proposal of a buy-back undesirable and why such a measure cannot achieve the results envisaged by its proponents.

Although The Link is an autonomous enterprise, it is not an ordinary listed fund, rather, it has a historical background. The Link mainly operates the shopping arcades and retail and car-parking facilities provided by the HA to residents of public housing estates, so The Link should do a good job in operating shopping arcades in the local communities. Business is business, so ultimately, the shopping arcades in public housing estates have to rely mainly on a local clientele. If the spending power of the households in a district is limited, given the pressure from supply and demand, in the final analysis, when developing or operating the shopping arcades in public housing estates, it would not be possible for The Link to adopt the mode adopted by the shopping arcades in the central business district without due regard to the actual circumstances. We will continue to communicate with the management of The Link to reflect the views expressed by Members just now and the aspirations in society, including the suggestion made by a Member just now that The Link, before renovating its shopping arcades, should consult local residents.

We hope that The Link could adopt the concept of shopping arcades for local communities when operating and renovating the retail and shopping arcade facilities in housing estates, so as to cater closely for the needs and affordability of residents. The Housing Ordinance requires the HA to (I quote) "secure the provision of" (end of quote) ancillary facilities fit for public rental housing (PRH) residents, including amenities and commercial retail facilities. In its judgment
made in 2005, the Court of Final Appeal stated clearly that it did not mean that the HA needed itself to be the direct provider or operator of the facilities. However, we will follow the spirit of this piece of legislation by stepping up communication with The Link on the one hand, and enhancing and providing additional relevant facilities on the premises managed by the HA on the other.

President, in the motion debate today, some Members said that The Link had increased its rents for many years at a stretch, thus driving out the original small commercial tenants and resulting in soaring prices, and that the burden borne by residents of public housing estates had increased. However, I also heard some Members point out that in fact, in the past few years, the overall increase in rent in the retail market in Hong Kong had been quite substantial. The major clientele of the shopping arcades in public housing estates is still the residents of such estates and among the shopping arcades in public housing estates managed by The Link, although there are some high-end ones, there are also some catering to the general public, so the portfolio of its shopping arcades is quite diversified.

In a free market, prices are determined by the supply and demand of goods as well as the operating costs of commercial tenants, including wages, the buy-in prices of goods, rents, and so on. If the rents are too high, so much so that the operation of shops is far removed from consumers' affordability, ultimately, this will result in difficulties in business operation, so this would not be beneficial to The Link in any way either. If The Link is concerned about long-term continuity rather than making quick profits, and if it is also willing to conduct itself like a good corporate citizen, I believe it would take into consideration community needs and market conditions, rather than increasing its rents without due consideration, thus leading to an exit of commercial tenants, causing resentment among residents in housing estates and damaging its business reputation.

Just now, several Members said they understood that the proposal to buy back The Link was not feasible and that it probably would not be effective. However, they still support the buy-back proposal because they want to make a political statement, so that the Government would know clearly that it should not seek to privatize all services or facilities and that sometimes, public-sector management is also essential. Indeed, in the face of various needs and development needs in society, a government should not look at private-sector or
public-sector management dogmatically and regard any one of them as the only preferable option. Rather, we should adopt a practical and realistic approach.

A Member proposed the provision of additional publicly-managed commercial facilities and a policy of promoting small businesses, so as to give residents in public housing estates more choices and care about the room of survival of small commercial tenants.

As I said in my opening speech, the Government is concerned about the need of residents in public housing estates for retail facilities in their daily lives. The HA will continue to provide an appropriate amount of commercial facilities to give residents of public housing estates more choices in shopping and consumption. At present, there are a total of 40 shopping arcades and major ancillary retail facilities with a total floor area of 200 000 sq m, as well as 125 car parks providing about 27 800 parking spaces in the housing estates managed by the HA.

The HA, when providing commercial facilities in newly-built housing estates, would mainly take into consideration the population of these newly-built housing estates and whether or not the provision of retail facilities nearby is adequate. Housing estates with a larger population or without sufficient retail facilities nearby will be provided with more retail facilities. Moreover, the level of provision of parking spaces in newly-built public housing estates is determined in accordance with the Hong Kong Planning Standards and Guidelines of the Planning Department.

Take the HA's latest local shopping arcade, "Domain", situated in the vicinity of Yau Tong, as an example, the HA, bearing in mind the rapid development of East Kowloon in recent years and the successive completion of a number of public housing projects and the launch of major redevelopment projects, which all brought significant changes to the population, family structure, and so on, of the district, as well as the increase in the number of young people and families, which all lead to changes in the demand for retail facilities, built the "Domain" in response to the development trend in the district. The "Domain" shopping arcade consists of eight storeys, with a lettable area of 23 000 sq m. At present, there are 143 confirmed tenants and small-scale retail areas have also been established for small commercial tenants and social enterprises. A total of 23 units are provided to give young people and small commercial tenants
opportunities to start up their businesses, as well as encouraging social enterprises to operate businesses, so as to promote the culture of caring for various social groups. I am grateful to Mr Vincent FANG for speaking up for small and medium businesses when the concept of the "Domain" was discussed by the HA.

Apart from the "Domain", the HA is also building and planning a total of 21 new commercial and retail facilities involving a total floor area of 37,000 sq m, as well as 29 car parks that will provide about 3,200 parking spaces. President, although the main duty of the HA is to provide subsidized housing, it will also strive to do a good job in putting in place ancillary commercial and retail facilities in housing estates, so as to make living and shopping convenient for residents. Apart from building new commercial and retail facilities, the HA will also improve its existing facilities to enhance their competitiveness and provide better choices and services to residents. After conducting technical feasibility studies, the HA will decide in which shopping arcades developed in the early years improvement works will be carried out. The works will include floor resurfacing, improving the lighting system, providing additional signage in these shopping arcades, rearranging the floor layout, and so on. Completed improvement projects include the Lai Yiu Shopping Centre, Nam Shan Estate, Ping Shek Estate, Fu Shan Estate and the Siu Hong Court market conversion scheme. Making improvements to shopping arcades and markets is an ongoing initiative of the HA and we will review the potential of the commercial facilities under its management from time to time, so as to carry out timely improvement projects to keep them abreast of the time.

As regards assisting small commercial tenants in starting businesses in facilities under the management of the HA, the HA welcomes any party, including commercial tenants that have operated businesses in the shopping arcades managed by The Link or in other private shopping arcades, to rent the vacant retail units of the HA. Of course, it is necessary for interested parties to bid for these shops and stalls under an open arrangement that is in line with the principles of a fair market.

A Member proposed that additional facilities, such as public markets, bazaars and hawkers' markets, should be provided in areas with a high concentration of facilities managed by The Link, so as to give public housing residents more choices. However, in the past, the Audit Commission released a report on the planning and operation of public markets, pointing out that when the
Government plans new public market facilities, it should consider carefully their viability and cost-effectiveness to ensure the appropriate and effective use of public resources. In 2009, the Planning Department also made revisions to that part of the Hong Kong Planning Standards and Guidelines pertaining to the provision of public markets. Under the revised guidelines, it is suggested that apart from the population in the district concerned, other relevant factors should also be taken into account, including demographic mix, community needs, the availability of public and private market facilities nearby, the number of fresh provision retail outlets in the vicinity, and public sentiment towards preservation of hawker areas, and so on. Just now, a Member held that putting shopping arcades and markets under the direct management of government departments may not be the most preferable option, and that optimal market efficiency may not necessarily be achieved. Provided that effective competition can be maintained, the fundamental principle should be to allow the market to function in the private mode. A Member mentioned the situation in Tin Shui Wai. Due to the unique situation in Tin Shui Wai, the Government is working jointly with the Tung Wah Group of Hospitals in organizing a bazaar on a vacant government site near Tin Sau Road, Tin Shui Wai, with a view to providing one more option in shopping facilities to local residents, as well as creating new economic momentum and employment opportunities for local residents.

We understand that the situation and needs of the public in each district are different. The modus operandi of bazaars has greater flexibility and can be adjusted to the unique situation of each district. Of course, there are also some limitations. However, we believe that after making reference to the actual experience in operating a bazaar in the vicinity of Tin Sau Road, consideration can be given to the suitability of introducing similar modes of operation in other local communities.

President, the competition in the retail market in Hong Kong is keen and the shopping arcades managed by The Link also have to face keen competition from other shopping arcades and retail facilities nearby. Competition among shopping arcades can help keep the prices of goods and services at The Link's commercial facilities at an affordable level. Just now, I heard several Members stress the importance of maintaining positive competition in the market. Moreover, since the shopping arcades of The Link were situated in or close to public housing estates and the clientele is the residents in them, the shops and the trade mix therein, as well as the goods and services offered would have to meet
the needs and spending pattern of public housing tenants before their operation could be successful. Through the motion debate in the Legislative Council today, I believe The Link would learn clearly the expectations of society for the shopping arcades in local communities under its management. We hope that through market forces, The Link would improve the business environment for its commercial tenants, meet the basic shopping needs of public housing residents and establish ties with commercial tenants and other stakeholders, so as to achieve an all-win situation.

At the same time, the HA will also continue to provide and build commercial and retail facilities to help public housing residents meet their daily needs and give them more choices in shopping. We will also continue to liaise and communicate with the management of The Link to reflect the needs of the public.

Finally, I wish to respond to an issue raised by Mrs Regina IP just now. She queried if the HA had entered into any agreement on pre-emptive right with The Link. According to the Deed of Right of First Refusal entered into by the HA and The Link, in the first decade after the listing of The Link REIT, that is, up to November 2015, in the event that the HA wishes to sell the remaining retail and car-parking facilities under its management or those to be completed in the future, the HA has to first offer The Link REIT a right of first refusal. However, I have stated very clearly in my opening speech that the HA has no plan to sell the retail and car-parking facilities under its management again.

Thank you, President.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, please move your amendment.

MISS CHAN YUEN-HAN (in Cantonese): President, I move that Mr LEUNG Kwok-hung's motion be amended.

Miss CHAN Yuen-han moved the following amendment: (Translation)

"To add "given that" after "That,"; to delete "and it has monopolized" after "to increase," and substitute with "causing small shops originally
providing grass-root residents with inexpensive daily necessities to close down, and at the same time it has introduced a lot of large consortia and chain enterprises monopolizing"; to delete "," after "districts concerned" and substitute with "and"; and to add "; and before the buyback, the Government should adopt the following measures to assist public housing residents and support small shop tenants to continue operation: (a) in districts where The Link-managed facilities are concentrated, such as Tin Shui Wai, to build additional public markets, marketplaces and hawker bazaars, so that public housing residents have more choices when purchasing daily necessities; (b) to assist small shop tenants whose business has closed down due to The Link's drastic rental increase in restarting business in shopping arcades under the Housing Authority, so as to allow them to keep serving public housing residents; and (c) to request The Link to consult local residents before renovating shopping arcades, so that the future mix of shops in shopping arcades can suit residents' needs" immediately before the full stop.".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Miss CHAN Yuen-han to Mr LEUNG Kwok-hung'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 CHAN Kam-lam rose to claim a division.
PRESIDENT (in Cantonese): Mr CHAN Kam-lam has claimed a division. The division bell will ring for five minutes.

(While the division bell was ringing)

PRESIDENT (in Cantonese): The question put now is: That the amendment, moved by Miss CHAN Yuen-han to Mr LEUNG Kwok-hung's motion, be passed.

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

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

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Mr Vincent FANG, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Frankie YICK, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu and Mr CHUNG Kwok-pan voted for the amendment.

Dr LAU Wong-fat, Mr Abraham SHEK, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr MA Fung-kwok abstained.
Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 34 were present, 14 were in favour of the amendment, 19 against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 35 were present, 22 were in favour of the amendment and 12 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Buying back the shares of The Link" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Buying back the shares of The Link" 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 LEUNG Che-cheung, please move your amendment.

MR LEUNG CHE-CHEUNG (in Cantonese): President, I move that Mr LEUNG Kwok-hung's motion be amended.

Mr LEUNG Che-cheung moved the following amendment: (Translation)

"To add "given that" after "That,"; to delete "it has monopolized" after "to increase, and" and substitute with "some districts have even witnessed its monopolization of"; to delete "in the districts concerned" after "the retail
facilities" and substitute with "therein"; to delete "the Chief Executive has assumed office for more than 100 days, but no follow-up has been taken; in this connection," after "could be studied;"; to delete "and consider various feasible means to buy back a total of no less than 25% of the shares of The Link to become the major or sole shareholder, so as to exercise influence on The Link Management Limited, making it" after "public housing shopping arcades," and substitute with "expeditiously honour the Chief Executive's undertaking made before his assumption of office of implementing the construction of additional publicly-operated commercial facilities, so as to expand small shop tenants' room for operation and increase people's choices, and conduct studies on the advantages and disadvantages of the buyback of the shares of The Link; and at the same time, continue to call on The Link Management Limited"; and to add "in its leasing policy and management of shopping arcades" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEUNG Che-cheung to Mr LEUNG Kwok-hung'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)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for one minute.
PRESIDENT (in Cantonese): Will Members please proceed to vote.

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

Functional Constituencies:

Mr Vincent FANG, Mr WONG Ting-kwong, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr POON Siu-ping and Mr CHUNG Kwok-pan voted for the amendment.

Mr Albert HO, Mr James TO, Dr LAU Wong-fat, Mr Abraham SHEK, Mr Frederick FUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr TANG Ka-piu and Ir Dr LO Wai-kwok voted against the amendment.

Dr Joseph LEE, Mr NG Leung-sing, Mr MA Fung-kwok, Mr Martin LIAO and Mr Tony TSE abstained.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth
CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 33 were present, 10 were in favour of the amendment, 18 against it and five abstained; while among the Members returned by geographical constituencies through direct elections, 35 were present, 13 were in favour of the amendment and 21 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, please move your amendment.

DR KWOK KA-KI (in Cantonese): President, I move that Mr LEUNG Kwok-hung's motion be amended.

Dr KWOK Ka-ki moved the following amendment: (Translation)

"To add "given that" after "That,"; to delete ", and it has monopolized" after "to increase" and substitute with "; The Link has just announced its interim results for the six months ended 30 September 2012, and its total revenue amounted to $3,197 million, and its net property income grew 10.5% year-on-year to $2,256 million, but the average increase of the positive rental reversion of its shops reached 27.9%, causing small shop tenants to suffer from the plight of rental increase; The Link also admitted that 60% of its shops sell daily necessities, and this reflects that The Link's huge income derives from monopolization of"; to add "construct government-managed commercial facilities and" after "means to"; and to add ", apart from taking account of shareholders' interests, also consider the affordability of public housing residents and small shop tenants, and" after "making it"."
PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr KWOK Ka-ki to Mr LEUNG Kwok-hung'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 Jeffrey LAM rose to claim a division.

PRESIDENT (in Cantonese): Mr Jeffrey LAM has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Mr Vincent FANG, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Frankie YICK, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu and Mr CHUNG Kwok-pan voted for the amendment.
Dr LAU Wong-fat, Mr Abraham SHEK, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 34 were present, 14 were in favour of the amendment and 20 against it; while among the Members returned by geographical constituencies through direct elections, 35 were present, 22 were in favour of the amendment and 12 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you may now reply and you still have five minutes 12 seconds.
MR LEUNG KWOK-HUNG (in Cantonese): President, indeed, there is no such thing as more shameless, but the most shameless. The DAB is really laughable. They said that they did nothing wrong in the first place because at that time, the HA had insufficient income, so they agreed with the sale of assets because this measure could reduce the deficit on the one hand and revitalize the market on the other. Buddy, did you not support "SUEN's nine measures", "SUEN's ten measures", a moratorium on the sale of HOS units, a moratorium on the construction of HOS units and a reduction in public housing construction?

How many mistakes do you have to make? After you had made the mistake for the first time, you said that there was no income because of the mistake made, so you said the assets might better be sold. However, when other people prevented you from selling them dirt-cheap, you said it was not so and accused the pan-democratic camp and the opposition of sheer fabrication. Buddy, you really must not do such things. President, please give some guidance to your party comrades. Today, you have taken the skeleton out of the closet by talking all the time. In fact, you have completely fallen into the trap. You talked about how a buy-back is infeasible in your speeches, and everyone knows that. We have said long ago that once this thing was born, it would be very difficult to kill it. Otherwise, why did I have to argue with you at that time? Why did I have to be the target of 8 000 people who clamoured at the top of their voices that they wanted to kill me or chop off my hands, buddy?

The reason is that I was right at that time. Where were you at that time, buddy? Mr Michael TIEN? Today, other Members have talked glibly about how my proposal on buying back 25% of the shares is daft, but how astute were you back then? Where were you at that time? Did you support the Government? Did you support the Government, saying that the biggest privatization exercise in the world is an honour to Hong Kong? Did you do that? Did you lend it your support because TUNG Chee-hwa told you to? Did you support Henry TANG and TUNG Chee-hwa, who said that they wanted to transcend the lower Courts by taking the case direct to the Court of Final Appeal, demanding that the judicial review and the listing be expedited? Didn't you? You people still have the brazeness to speak here.

I have told you that the 25% of shares are only bought to create a platform, so that it would be possible to play games with The Link from time to time. Mr
Michael TIEN, if you said that those things would rise in price, it would also be possible to make money out of the difference. Do you know how high they would go? Moreover, even if the motion to buy 25% of the shares were passed today, the Government would not put it into practice immediately either, buddy. You might as well tell the Hong Kong Monetary Authority (HKMA) to do so. If my proposal is to appropriate The Link, are you willing to do so? I am not going to be daft anymore, so do you have the guts to support appropriating it? Do you have the guts to agree to its privatization? In this regard, you do not have the guts either. I am very forthright and daft, so I suggest that it should be appropriated.

President, in this world, there are really too many people who are wise only after the event and there are also too many people who abet wrongdoers. I found that the public offices held by Mr Michael TIEN are outrageously numerous. He told other people to declare their interests but with regard to remunerated directorships alone, he holds 42, and he also has 15 property-related investments — not 15, rather, there are only eight as some are investment holdings — I do not know what they are either, buddy, and you still tell others to declare their interests. How do I know whether those investment holdings are related to The Link or not? Buddy, maybe you just want to spur me on, so that if I am successful, you can then buy in the shares, is that not so?

President, Mr NG Leung-sing is also like that. He holds so many public offices but he still could not prevent this matter from happening. However, he is now giving me lessons. Both of them are Deputies to the National People's Congress, so there is little wonder why it is so easy to sell national assets on the Mainland. They are so good at it, so would they oppose the establishment of the China Investment Corporation on the Mainland? Is that not an instance of having officials manage finance and investment? Did they not incur losses? Where has the Social Security Fund of the Mainland gone? If you are so fantastic, do you dare oppose the future Financial Services Development Council proposed by LEUNG Chun-ying, which will use half of the assets of the HKMA on speculation, then buy-in such shares as that of the China Investment Corporation? If these are not bureaucrats, what are they? Whenever bureaucrats can help you, you would say yes.

You even said that you have studied in the Harvard University. The people who reduced the American economy to such ruins are precisely the
graduates of Harvard (*Laughter*), and Goldman Sachs went so far as to go to Spain and teach it how to conceal $10 billion of debts to deceive the European Union. Don't be kidding. Now, graduates of Harvard are in disrepute, buddy. Talk no more about them, you people, they could be shot dead in the street any time. What are "Fannie Mae and Freddie Mac"? That was modelled on what you people did, but you people are still talking.

President, I am indeed daft because I know that no revolution or the appropriation of private properties would happen, and that is why I settled for less by proposing a buy-back of 25% of the shares. Little did I expect that this would cause such a furore. Let me say it once again: a stake of 25% is only intended to buy the right to speak (*The buzzer sounded*) ...... how to take The Link to task is your responsibility. You created this demon, so you have to assume the role of ZHONG Kui the Ghost Catcher.

**PRESIDENT** (in Cantonese): Mr LEUNG, please stop. Your speaking time is up.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEUNG Kwok-hung be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.
PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Mr Vincent FANG, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Frankie YICK, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu and Mr CHUNG Kwok-pan voted for the motion.

Dr LAU Wong-fat, Mr Abraham SHEK, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the motion.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the motion.
Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 34 were present, 14 were in favour of the motion and 20 against it; while among the Members returned by geographical constituencies through direct elections, 35 were present, 22 were in favour of the motion and 12 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Third Member's motion: Building an inclusive society for all.

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

I now call upon Mr LEUNG Yiu-chung to speak and move the motion.

BUILDING AN INCLUSIVE SOCIETY FOR ALL

MR LEUNG YIU-CHUNG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, first of all, I am very grateful to the Secretariat for arranging for the provision of sign language interpretation service for this motion debate, which enables the deaf to understand the details of our discussion. But regrettably, people with hearing impairment can watch simultaneous sign language interpretation only on the screens within this Legislative Council Complex, because all television stations have refused or are unwilling to broadcast the sign language interpretation of the meeting. As a result, people with hearing impairment cannot watch this debate at home and what is more, we all know that
sign language interpretation is not provided for the daily news report. If Members have paid attention to our neighbouring Macao, they will find that simultaneous sign language interpretation is provided there, just that it is not provided in Hong Kong. This shows how backward Hong Kong is. The absence of sign language interpretation poses, in fact, an obstacle to people with hearing impairment in finding out what is happening in society, thus making it difficult for them to integrate into society. This is clearly seriously compromising the rights and interest of people with hearing impairment, and it is also an obstacle to their right to integrate with society. This is actually an obvious violation of the rights and interest as provided for in the Disability Discrimination Ordinance (DDO). But much to our regret, our Government has all along turned a blind eye to this.

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

On a public occasion recently, I have asked the Chairman of the Equal Opportunities Commission (EOC), Mr Lam Woon-kwong, to follow up this issue. I also hope that the President — the President has just left the Chamber and in that case, you, Deputy President, may as well listen to this — I hope that you, Deputy President, can follow it up in the Legislative Council Commission and arrange for the provision of simultaneous sign language interpretation service for more meetings, so that more people with hearing impairment can keep abreast of the business conducted in this Council. I hope that colleagues in this Council can support this, because many people with hearing impairment do wish to understand the operation of this Council but they do not have the opportunity.

Deputy President, this motion debate today mainly calls on the Government to establish a dedicated committee to follow up the rights of people with disabilities. I put forth this proposal because I feel that the Government does not attach importance to the rights of people with disabilities, and I believe Members in this Chamber will agree that even now, people with disabilities in Hong Kong have often remained as a forgotten group of people, and unlike other socially disadvantaged groups, their needs are not confined to financial assistance and social acceptance. What I find more astonishing is that while Hong Kong is an advanced society and a city where freedoms are emphasized, there are people with disabilities spending 40 years on a hospital bed, not being able to see the world outside; people with hearing impairment being forced to give up studies in
university because they are not provided with sign language interpretation service; and people with severe physical disabilities choosing to wait for death at home because they cannot place a breathing machine at home due to financial difficulties. All these are condemnations against this cold, callous Government. Where exactly are the rights of these people with disabilities? What exactly is the value of their life?

Of course, I have no intention to label people with disabilities as people in need of special care and attention. I have all along treated the people with disabilities as ordinary people, and they often have the ability to take up jobs that the ordinary people are capable of doing. Having said that, there is one thing about them that requires greater attention from us and that is, they have human feelings and sentiments just as all of us do. They are also ordinary people, and I all the more think that people with disabilities should have the same rights as those of ordinary people. But this is not the case in present-day society. This is why I have to propose this motion in the hope that the rights of people with disabilities can be given due attention in society and that their basic rights can be exercised in their living through various policies. I all the more hope that the Government can manifest the spirit of the United Nations Convention on the Rights of Persons with Disabilities (the Convention) to enable people with disabilities to be treated in a way that they should be treated and to be given the same respect as that given to other people.

Recently, there have been heated discussions on equal rights for people of different sexual orientations, stressing that people of different sexual orientations should enjoy the same rights as those of other people. Certainly, I absolutely support this. But regarding the rights of people with disabilities, has there been similar discussion and attention in society? Although the Chinese Government became a signatory of the Convention in 2008, how many people can clearly understand the true meaning of the rights of people with disabilities? I think people's understanding of the Convention merely comes from that advertisement lasting tens of seconds put up by the Government in the media, thinking that the rights of people with disabilities are no more than providing a barrier-free and discrimination-free living environment to them. Likewise, the Government has always defined the rights of people with disabilities narrowly as to mean the provision of some welfare and rehabilitation services, without doing anything to take care of their basic rights or to understand what their rights mean. The Government may think that the rights of people with disabilities can be
emphasized and realized by broadcasting some advertisements or programmes. But I think that as long as the Government fails to address the needs of people with disabilities with a "human rights-based" policy objective, it would still be useless no matter how many episodes of programmes like "A Wall-less World" are produced.

Deputy President, I hope Members will not think that this topic concerns only the well-being of people with disabilities. In fact, this issue has a direct bearing on the interests and living of the general public. Think about this: I believe Members must have friends who are disabled in one way or another. Have Members ever thought that we can not only bring a better life to them, but also help them lead a more dignified life? Moreover, friends who are in this Chamber and members of the public will all grow old one day and by then, we may be becoming disabled in our physical conditions. I do not mean to curse Members to become disabled, but this is a reality that is very likely to happen or is unavoidable. Therefore, I think we are not just doing a favour to people with disabilities in fighting for the rights to which they are entitled today. We are doing this also for the benefit of ourselves in old age and even for the benefit of the future generations. So, I hope that Members can attach importance to the rights and interest of people with disabilities and even put ourselves into their shoes and consider their rights and interest, rather than adopting the mindset of taking pity on them and giving alms to them.

Deputy President, I remember that I would propose a motion on "Facing up with the transport needs of people with disabilities" every year. Certainly, I am glad that we have successfully fought for the $2 concessionary fare this year. But the concession is applicable only to some modes of public transport, and some transport operators will offer this concession only early next year or in the middle of the next. This is still regrettable. But we can see a phenomenon from this point. It shows that we do not look at the interest and rights of people with disabilities comprehensively, but in a fragmentary manner. The Government has only taken the approach of "treating the head when the head aches and treating the foot when the foot hurts", without addressing the issue in a "rights-based" policy direction consistently.

Despite the provision of the $2 concessionary fare, they still cannot leave the hostels. Community care services are still lacking, and they still have to face a lot of difficulties in their daily life, which prevented them from integrating with
society. These are indicative of the policies being fragmentary and flawed. Therefore, I have proposed this motion once again in the hope that we can address the issue squarely. The Government should also expeditiously establish a dedicated committee to follow up the rights to which people with disabilities are entitled, so that a "rights-based" approach can be adopted to replace the "welfare-based" concept that has long been used, thereby enabling people with disabilities to be given due attention in their living.

Deputy President, I think it is now most opportune to review the situation of how well the rights of people with disabilities have been seen to exercise in Hong Kong. China ratified the Convention in 2008, and the Committee on the Rights of Persons with Disabilities of the United Nations (CRPD) held a meeting in September to examine the progress of Hong Kong in the implementation of the Convention. What I consider more touching and delightful is that a delegation comprising of 20-odd members from non-governmental organizations (NGOs) of people with disabilities in Hong Kong also attended the meeting. This enabled the CRPD to gain a better understanding of how the Hong Kong Government has worked for people with disabilities or how many policies are compliant with the provisions of the Convention. Deputy President, the CRPD raised many concerns over the policies on people with disabilities in Hong Kong and made many recommendations. The CRPD even used the word "regret" to criticize the work of the Government. It is perceivable that the use of the word "regret" shows that government efforts have been lacking in implementing the provisions of the Convention. In view of this, we very much hope that the Government can really attach importance to this issue and consider how best the provisions of the Convention can be promoted and given effect. Therefore, we very much hope that the Government can address this area of work squarely.

The CRPD has, for the same reason, made some recommendations and stressed the need to ensure compliance with the spirit of the Convention in various policy areas, in order to ensure people with disabilities will enjoy human rights and fair treatment in society. Some of the CRPD recommendations in relation to the policies are premised on the demands long championed for by people with disabilities in Hong Kong. For instance, the CRPD urged the Government to allow people with disabilities to apply for Comprehensive Social Security Assistance individually, so that they will not be forced to live alone because of the lack of financial support from their family. With regard to cases
of people with disabilities being deprived of the right to choose with whom they wish to live and where to live because of their disability and financial conditions, the CRPD has also expressed concern about these problems.

These aside, the CRPD has raised concern over another important issue and that is, the rank of the Commissioner for Rehabilitation is too low and this has led to problems in the co-ordination of policies pertaining to people with disabilities. The CRPD has also expressed concern that the role of the EOC is unclear with powers that are too low, thus making it impossible for the EOC to uphold and safeguard the rights of people with disabilities. If we look at how these problems are tackled under the existing policies of the Government, we will see that in some cases, nothing has been done to deal with the problems; in some cases, the measures taken are unclear, and in some cases, the Government has dragged its feet and refrained from taking actions despite its professed claim to do so. Therefore, we hope that the Government can stop taking a welfare-based approach or perspective in addressing the rights of people with disabilities, and the policies for people with disabilities should cease to be formulated by the Labour and Welfare Bureau. Instead, an independent committee should be established to implement the provisions of the Convention. I hope colleagues will support my proposals.

I also hope that the Government can take this opportunity to truly establish a dedicated committee to promote and give effect to the rights of people with disabilities as soon as possible and proactively address their aspirations. Deputy President, I so submit.

Mr LEUNG Yiu-chung moved the following motion: (Translation)

"That, as the United Nations Convention on the Rights of Persons with Disabilities (the Convention) has been in force in Hong Kong since 31 August 2008, this Council urges the Government to expeditiously establish a dedicated committee to promote and give effect to the relevant provisions of the Convention that the SAR Government has not yet implemented, and based on the World Health Organization's international standards on the definition of disabilities, to extend the scope of protection for persons with disabilities, especially for persons with disabilities under the age of 12, so that they can equally enjoy the rights
conferred under the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities."

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

DEPUTY PRESIDENT (in Cantonese): Six Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the six amendments.

I will first call upon Dr Fernando CHEUNG to speak, to be followed by Mr WONG Kwok-hing, Mr CHAN Han-pan, Dr KWOK Ka-ki, Ms Emily LAU and Mr Michael TIEN respectively; but they may not move the amendments at this stage.

DR FERNANDO CHEUNG (in Cantonese): Deputy President, first of all, I have to thank Mr LEUNG Yiu-chung for proposing this motion on "Building an inclusive society for all".

As stated in the motion, the United Nations Convention on the Rights of Persons with Disabilities (the Convention) should have been implemented by us as early as in 2008, and under Article 33 — "National implementation and monitoring" of the Convention, it is clearly provided that "States Parties, in accordance with their system of organization, shall designate one or more focal points within government for matters relating to the implementation of the present Convention, and shall give due consideration to the establishment or designation of a co-ordination mechanism within government to facilitate related action in different sectors and at different levels.". On this point, Mr LEUNG Yiu-chung has already mentioned that the so-called co-ordination mechanism currently in place in the Government is actually the Commissioner for Rehabilitation who is under the Labour and Welfare Bureau. But this Commissioner for Rehabilitation who is an official at Directorate 2 level primarily does not have the ability to co-ordinate the work of other Policy Bureaux and various departments in the implementation of the Convention.
The second point of Article 33 of the Convention provides that, "States
Parties shall, in accordance with their legal and administrative systems, maintain,
strengthen, designate or establish within the State Party, a framework, including
one or more independent mechanisms, as appropriate," — please note
"independent mechanisms" — "to promote, protect and monitor implementation
of the present Convention. When designating or establishing such a mechanism,
States Parties shall take into account the principles relating to the status and
functioning of national institutions for protection and promotion of human
rights.". There is also another point which provides that, "Civil society, in
particular persons with disabilities and their representative organizations, shall be
involved and participate fully in the monitoring process.". These are the
provisions of Article 33 of the Convention.

In the minds of the Government, the Rehabilitation Advisory Committee
(RAC) is currently intended to be the framework or the independent mechanism
for promoting and monitoring the implementation of the Convention. But the
RAC, which is only an advisory body without solid powers, does not have the
ability to monitor the implementation of the Convention by the Government.
Deputy President, if we have to appear before the United Nations Committee on
the Rights of Persons with Disabilities now, we have actually failed to fulfil the
requirements of the Convention even in respect of Article 33 alone.

Therefore, the motion proposed by Mr LEUNG Yiu-chung is very
important, and my amendment seeks to point out that this mechanism must be
independent. If the Government will invariably set up an advisory body on its
own, which now requires vetting by Ms KAO of the Central Policy Unit in order
to ascertain whether or not it is politically correct, and given the practice of
affinity differentiation, how can the Government be monitored? It is also stated
in the Convention that we have the duty to enable participation from people with
disabilities and their representative organizations in the community, but in all the
advisory frameworks of the Government, an overwhelming majority of the
members are actually appointed in their personal capacity and they do not
represent any group or social organization. Therefore, the existing system
primarily does not meet this requirement. We hope that the Government can
seriously give effect to the Convention. Although this motion debate is not
legally binding, the Convention does have legal effect, and if the Government
does not implement the provisions accordingly, it would actually be tantamount
to a breach of the law.
The original motion has mentioned transport fare concessions for which Mr LEUNG Yiu-chung has championed over the years. We are certainly glad that the fare concessions are eventually offered to the elderly and people with disabilities. But frankly speaking, we consider that this should be done as a matter of course and its implementation is flawed in many aspects. For what reasons people with disabilities under the age of 12 cannot benefit from the fare concessions? If the adults and children in a family are disabled, it is ridiculous for the adults to be able to travel on public transport at a $2 fare while those under the age of 12 have to pay a higher fare than the disabled adults. Why should the Government make this happen? We had fought for it for many years and the Government had taken no action but then, it was suddenly implemented without consulting people with disabilities and without consulting us on how it should be implemented. What is more, the Government has not attributed the achievement of this policy to the efforts made by organizations in fighting for it over the years. So, it must really be taken to task even though this policy is implemented.

With regard to the amendments, I have mentioned the definition of "disabled" in my amendment as the definition of "severely disabled" under the disability allowance (DA) is very harsh now. We understand that many people are severely disabled, such as people who have lost one limb, they basically have great mobility difficulties and yet, they are not considered as disabled under the existing eligibility criteria for the DA. This is, in fact, ridiculous. For these disabilities which are visible to our naked eyes, such as people who have lost one foot and who are older in age, they cannot rely solely on a walking stick to move about and are definitely wheelchair-bound. But when people who are genuinely wheelchair-bound come to the Government, how can the Government outrageously tell them that they do not meet the definition of disability and so, they are not eligible for the DA, meaning that they cannot even enjoy the $2 concessionary fare? This is really most ridiculous. In other places, transport fare concessions are offered not only to people with disabilities, but also to their company. But people with disabilities in Hong Kong have to pay for the fares while they can travel free of charge on the Lok Ma Chau Spur Line to the Mainland which is operated by the same MTR Corporation Limited. It was all the more ridiculous in the past when there was not even the $2 concessionary fare.

This is what the definition is like now, and nowhere in the world is it as harsh as in Hong Kong in that consideration is given purely from a medical
perspective and a person's disability is considered severe only if two of the limbs are disabled. There are many invisible disabilities or the so-called visceral disabilities. For example, patients with terminal renal failure must rely on renal dialysis every day and this can greatly affect their living, but the Government said that this is not considered a disability. Many of these kinds of hidden or inconspicuous illnesses have already been defined as disabilities internationally. Why does Hong Kong have to drag its feet for so long?

The Ombudsman already called on the Government to conduct a review seriously in 2009, pointing out that it is ridiculous for the definition of "severely disabled" to include "a 100% loss of earning capacity". There are at present about 120,000 people with disabilities and another 10,000-odd to 20,000 people with disabilities who receive the Normal Disability Allowance and the Higher Disability Allowance respectively, but many of them are actually in employment. Could it be that those people who are in employment cannot receive the DA? This is unreasonable. So, this actually originated from a concept in the obsolete Employees' Compensation Ordinance under which disability must be linked with employment. This should have been abolished a long time ago, and even The Ombudsman has made the same point. The Social Welfare Department undertook to conduct a review in 2009 but no report has been seen so far. Why has the Government been evasive over the last couple of years? Many people with disabilities are in need of assistance and yet, the Government has repeatedly made it impossible for them to obtain assistance.

Lastly, I wish to say in brief that we basically support the amendment proposed by Mr CHAN Han-pan, but as he has deleted the words "expeditiously establish" and replaced it with "conduct studies on establishing" before "a dedicated committee" in the original motion, it is difficult for us to support this point. As regards his proposal of setting up a quota system for employing persons with disabilities, we very much support it. Regrettably, the Government has been unwilling to implement it over the years, and besides, we are not asking the Government to achieve it in one go, but only to set a standard. Subsidized organizations and government departments should work in accordance with this standard, whereas for publicly-funded organizations which are not required to take on a certain proportion of disabled employees, we do not intend to punish them as we are only calling on them to draw up plans and yet, they are still unwilling to do it. The Government has only repeated time and again over the years that employment for people with disabilities is the most important priority
of its work, but what exactly has been done to underscore such importance? It has failed to hand in any homework.

Therefore, Deputy President, I hope that LEUNG Chun-ying's Administration will seriously and expeditiously honour his undertaking made during the election campaign and promote employment for people with disabilities. Thank you, Deputy President.

MR WONG KWOK-HING (in Cantonese): Deputy President, I would like to thank Mr LEUNG Yiu-chung for proposing this motion so that I can propose an amendment and bring this model of an amputated leg of Mr LEE Shing-leung here to urge the Government to honour its pledge.

Many new Members of the Legislative Council have never seen this model before. They will find it very ugly and lifelike at seeing it. But in fact, the Government and the Secretary are the ugliest. Why did I say that? Because the Government keeps stalling. Mr LEE Shing-leung's application for the DA was rejected. In this connection, I would like to change the lyrics of a famous song by Anita MUI "Why? Why? Tell me why ……” to "CY, CY, tell me why" in order to ask him why the pledges in his election platform have yet to be fulfilled although he has assumed office for more than 100 days.

As the Secretary is most happy to implement the election platform of CY, I hope the Secretary can pay attention to paragraph 10 in page 33 of his election platform, in which a concessionary fare of $2 a trip on buses and minibuses is proposed for people with disabilities. However, the degree of disability is not specified. So, I hope that Secretary Matthew CHEUNG will not try by underhand means to castrate CY's platform. In paragraph 10, it was also proposed that people with loss of one limb would be entitled to the DA. Given that this has been put down clearly in black and white, many people with disabilities have requested me to ask Secretary Matthew CHEUNG at today's meeting when this proposal will be implemented and why the authorities have not said or mentioned anything about it.

Deputy President and Members, when did the unreasonable discrimination and treatment suffered by Mr LEE Shing-leung begin? On 11 November 2007
…… Mr LEE Shing-leung was a barge worker. His leg was amputated due to injury sustained at work. I remember it very clearly that when Secretary Matthew CHEUNG inaugurated the district office of Mr TANG Ka-piu who served as a District Council member at that time, Mr LEE Shing-leung came in a wheelchair to make a petition to Secretary Matthew CHEUNG. Although six years have passed, the Government has given neither an explanation nor solution to the problem.

On 9 November last year, my motion was passed by the Legislative Council. I thank Members for their support. How did Secretary Matthew CHEUNG respond to our motion at the meeting on that day? Let me read out the response of Secretary Matthew CHEUNG (and I quote): "In the past, the Social Welfare Department (SWD) has improved the operation of the DA scheme, as well as the guidelines on medical assessments, the Medical Assessment Form and the processing flow, in collaboration with the Hospital Authority and the Department of Health. To further enhance the implementation particulars, the SWD set up an inter-departmental task force in the end of 2009 to conduct a review basing on the recommendations made by The Ombudsman in the Direct Investigation report on the implementation arrangements of the DA scheme. With the completion of the judicial review on the DA, the task force will complete the remaining work of the review as soon as possible, and it is expected that the review will be completed early next year and a comprehensive report will be submitted to the Panel on Welfare Services by then." (End of quote)

The Secretary read out this aforesaid paragraph on 9 November last year. Now it is mid-November of this year. Back then, the Government said that a report would be submitted to the Legislative Council early this year. But now it is mid-November and 2012 will become history in about one and a half months. For how long does Secretary Matthew CHEUNG want to stall? I think the Secretary had adopted the delaying tactics probably because he thought that he might not be re-appointed. But surprisingly, he was re-appointed. Back then, the Secretary adopted delaying tactics probably because he also thought that we might not be re-elected as Legislative Council Members. So, I am grateful to voters on Hong Kong Island for their support so that I can be re-elected and pursue the case with the Secretary. I hope the Secretary, in his reply, can clearly tell the Legislative Council the Government's timetable and roadmap, and when relevant documents will be submitted. In my letter to Miss CHAN Yuen-han, Chairman of the Panel on Welfare Services, I asked her to urge the Government
to submit the report. With more than one month's time, the Secretary should have no reason to make further procrastination. Furthermore, I think the review report to be submitted by the Secretary should not be vague because we need a comprehensive review.

Deputy President, in the motion debate on 9 November last year, I read out the eight recommendations in the report of Direct Investigation published by The Ombudsman. Now I would like to quote it again: "The Ombudsman has put forth eight recommendations, requesting the authorities to conduct an overall review. Let me read out all the recommendations quickly. First, "review the eligibility criteria"; second, "review and revise the Medical Assessment Form"; third, "arrange regular audit of cases"; fourth, "clear discrepancy …… with HA and the Department of Health"; fifth, "refine guidelines for staff"; sixth, "revise the notification letter …… giving specific reason(s) for refusal ……"; seventh; "record in detail the deliberations of …… the appeal and factors for consideration ……"; and eighth, "…… an overall review of the DA scheme, covering the eligibility criteria, the roles of medical doctors and the Social Welfare Department as well as the assessment mechanism"." (End of quote)

It is crystal clear that according to The Ombudsman's recommendations, the review by the Administration should be a comprehensive one. I am most grateful to the former Ombudsman Ms Alice TAI and the incumbent Mr Alan LAI for their detailed analyses in the report. It does not matter that the Secretary does not take on board the views of the Legislative Council. But he should take on board the serious and sincere criticisms by his colleagues in the Government. Some Honourable colleagues are glad that the measure of concessionary fares for people with disabilities has been implemented since June this year. However, they were happy too early because not all people with disabilities are entitled to the concession. At present, only those who are graded as 100% disabled can receive the DA. Otherwise, they are not entitled to the allowance or fare concession.

According to the Special Topics Report No. 48 on social statistics published by the Census and Statistics Department in 2008, there are 361,300 people with disabilities in Hong Kong. According to the Statistical report of the Central Registry for Rehabilitation, 137,388 people with disabilities have registered at the Registry as at September 2009. Among these people, 52,268 are physically disabled, representing 32.8% of the total. Because they are not 100% disabled, they are entitled to neither the DA nor concessionary fare. Mr
LEE Shing-leung was finally granted the DA, but he has been forced to consult a psychiatrist. As I pointed out earlier, he does not suffer from any mental illness in the first place.

Deputy President, we in the Legislative Council have to raise our hands in order to vote. Now I would like to raise my leg to ask the Secretary to honour the pledge of CY by immediately granting concessionary fares to people with disabilities and the DA to people with loss of one limb, instead of making things difficult for them. If he rejects my request, he should tell us the grounds and reasons. Please be compassionate for those who wear prostheses and understand their miserable situation at work (The buzzer sounded) …..

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR CHAN HAN-PAN (in Cantonese): I will not only raise my hands and leg, but also stand up to support this motion.

"All men are created equal". This is an often heard and well remembered sentence found in the United States Declaration of Independence. It is believed that everyone wants to be treated fairly.

People born disabled or people with acquired disabilities will definitely experience more challenges in their lives than ordinary people do. The deaf-mute will experience a world which is unique to them since infancy. For them, language acquisition is most difficult. For those who are physically handicapped, they have to double their efforts in learning to walk since they were born. They work so hard only in the hope that they can lead a life like ordinary people, and will be treated with equality and able to integrate into the community.

Unfortunately, the reality is often cruel. Though this sentence sounds like a standing dish, it is the voices of people with physical or mental disabilities. Their life experience and the unreasonable treatment and discrimination to which they are subjected cannot be felt by ordinary people. Hence in 2008, the United Nations proposed the Convention on the Rights of Persons with Disabilities (the Convention), the spirit of which is rights-based and striving for the rights, equality and well-being of the people with disabilities. The Democratic Alliance
for the Betterment and Progress of Hong Kong (DAB) and I fully support and affirm the Convention.

The SAR Government for the first time issued a comprehensive report for submission to the United Nations in 2010. The report mainly elaborated the policies on people with disabilities in terms of legislation, their rights and assistance for them in integration into the community. The content of the report seems to be comprehensive, but on a closer look, it is not difficult to find it marred by many defects.

Precisely for this reason, I have proposed an amendment to the original motion so as to advance more specific recommendations on improving the relevant policies. It is hoped that the Government will pay attention to these recommendations and take follow-up actions. The focus of my proposed amendment falls on the problems often encountered by people with disabilities in taking public transport, their lack of support in the community and the unfair treatment they face in the workplaces. Later on, other Members of the DAB will express their respective views on these specific recommendations.

Here, I would like to discuss the views of the people who have recently talked to me and my personal observations. Summing up, I think that the SAR Government is guilty of three fallacies relating to the issue. The first one is indecisive policy, which is manifested in the $2 Public Transport Fare Concession Scheme for the elderly and people with disabilities. Currently, children under the age of 12, irrespective of whether they are disabled or not, are entitled to half-fare concession on public transport. However, since the implementation of the $2 Concession Scheme, there is this unreasonable phenomenon that children with disabilities are charged a higher fare than adults with disabilities. According to the authorities' explanation, these children cannot be offered a further concession since they already enjoy half-fare concession. Otherwise, it would be tantamount to enjoyment of double benefits.

According to some organizations' estimation, the number of children with disabilities is very small, only around 3 000 and the amount involved is also very small. However, the authorities are simply very stubborn. I do not understand why the SAR Government cannot be flexible and offer the $2 concession to these children. Owing to the conservative practice of the Government, a purportedly
popular policy has been implemented in a slovenly manner because of some minor negligence. As a result, the public are dissatisfied with the Government.

The second one is the dogmatic attitude, failing to keep abreast of the times. It seems that the Government has simply put the policy aside after its implementation. As Mr WONG Kwok-hing also mentioned last year, Hong Kong’s current Disability Allowance System came into force in 1973. After 30-odd years of operation, many of the rules and regulations are still outdated despite the minor patch-ups made during the course. There have been voices in the community claiming that the Medical Assessment Form cannot reflect the physical condition of the applicants. Moreover, there are grey areas in the definition of "severely disabled". For many years, relevant groups have repeatedly requested the authorities to make improvements. But even today I do not see any specific replies, improvements or actions made by the Government. This made me feel that the SAR government has adopted an evasive attitude, which is really disappointing. Therefore, we will support Mr WONG Kwok-hing's amendment.

According to my observations, the third problem is that the Government has turned a blind eye or a deaf ear to the issue. Take the employment problem of people with disabilities discussed for years as an example, the Equal Opportunities Commission's investigation found that the overall unemployment rate of people with disabilities is as high as 87%. In other words, only 13 people in every 100 people with disabilities are working, although some of them possess university or tertiary level qualifications. However, owing to the discrimination in society, many of them can only take up part-time jobs because they are unable to find any permanent openings. As a result, they do not have any livelihood protection.

After the implementation of the minimum wage, the problems they face have worsened. As we can see it, despite implementing a policy to encourage the employment of people with disabilities in government departments and public bodies, the authorities have not implemented the relevant encouragement policy in the private sector. We have advocated this for many years and requested the authorities to genuinely protect their equal opportunities in employment by enacting legislation to set up an employment quota system and work incentive subsidy scheme for people with disabilities, as well as a corporate tax deduction
system to encourage enterprises to employ people with disabilities. These recommendations are like stones dropped into sea, for the authorities have not proactively responded to our aspirations.

As we are not people with disabilities, it is difficult for us to understand their feelings of being rejected, ignored and discriminated against. Therefore, we cannot imagine their world purely from the perspective of able-bodied people. I remember I have once watched a Japanese television drama *Beautiful Life* about a love story between a hairstylist and a wheelchair-bound girl. In the drama, there was a scene in which the male protagonist, in order to appreciate the sunset from the angle of the young girl, bended down to enjoy the sunset from the viewpoint of a wheelchair user.

Deputy President, Jesus Christ once said "let the lame walk." Miracles could not occur on every disabled person, but I am confident that the SAR Government, with faith and care, can ensure equal treatment for people with disabilities through appropriate and humanistic measures. Finally, the DAB will support the original motion and all the amendments in the hope of consolidating the forces from various sectors to urge the Government to promote the rights of people with disabilities with a view to creating an inclusive society for all.

I so submit. Thank you, Deputy President.

**DR KWOK KA-KI** (in Cantonese): Deputy President, first of all, I would like to thank Mr LEUNG Yiu-chung for his perseverance in speaking up for people with disabilities in this parliamentary assembly. In the past, "Ah Chung" has been fighting for transport concession for people with disabilities. Although part of his proposal has been implemented, I think he could hardly imagine that when the measure of concessionary fares for people with disabilities has been implemented, people with disabilities under the age of 12 cannot receive the same treatment.

In August 2008, the United Nations Convention on the Rights of Persons with Disabilities (the Convention) was implemented in Hong Kong. Unfortunately, no importance has been attached to the Convention and it is difficult to implement the Convention since it has come into operation in Hong Kong. In my amendment to the original motion, I aim at putting forth proposals...
in four areas, including public education, barrier-free environment, assisting people with disabilities in integrating into the community and specific learning difficulties. According to Article 8 of the Convention, States Parties undertake to adopt measures to raise social awareness regarding people with disabilities and combat stereotypes, prejudices and harmful practices relating to people with disabilities.

(The President resumed the Chair)

Recently, I have read a report on guide dogs in Hong Kong. I believe Members may also have heard of it. In view of the fact that guide dog service is seldom provided in Hong Kong, the Ebenezer School and Home for the Visually Impaired and the Hong Kong Society for the Blind have jointly organized the "4 Users 4 Dogs" Guide Dog Pilot Project. In the first round of the Project, two guide dogs named Nana and Deanna were arranged for users. It happened that I met one of these guide dogs on a radio programme a few days ago. Unfortunately, the owners of these two guide dogs, Miss FU and Mr TSANG Kin-ping, have also experienced some unhappy encounters when using guide dogs in Hong Kong. They have been discriminated against by other passengers when taking the MTR and buses, and even denied access to shopping malls and restaurants by security guards and management staff. This is a great pity. Although Hong Kong is a relatively civilized and advanced society, and people's education level is relatively higher than that in other places, the protection of the rights and support measures for people with disabilities have not been accorded importance. Nor discrimination against them can be eliminated, reflecting the inadequacy of the Government's efforts in public education. We do not want to see this continue, and hope that the SAR Government will make more efforts in public education and assisting people with disabilities in integrating into the community.

Secondly, regarding barrier-free environment, according to Article 9 of the Convention, States Parties shall examine their barrier-free measures in respect of buildings, roads, transportation and other indoor facilities, including schools, housing, medical facilities and workplaces. In Hong Kong, there are no such measures in shopping malls, roads, road crossing facilities and schools. I will not go into details about this. But surprisingly, these measures are not provided
in hospitals. A question was once asked in the Legislative Council about the implementation of the Convention concerning the provision of barrier-free access by the Hospital Authority. Our hospitals will have the opportunity to be equipped with the relevant and proper facilities in 2016 at the earliest, which is eight years after the implementation of the Convention.

The hospital is a place which is frequently visited by people with disabilities. They have to go to the hospital for various kinds of treatment every day. However, the Government has not urged hospitals to enforce the requirements of the Convention. It is inconceivable that hospitals are allowed to ignore such responsibilities. This has precisely reflected why I have to propose this amendment. While hospitals are in such a situation, schools, government premises and shopping malls can be described as "appalling". Owing to such a situation, people with disabilities cannot integrate into the community.

Part (c) of my amendment seeks to tie in with Article 19 of the Convention, that is, to ensure that public facilities and various types of community services are responsive to the needs of people with disabilities, in particular, the need of people with disabilities under the age of 12 to integrate into the community as mentioned in the original motion. The people with disabilities under the age of 12 are in fact the hope of the community in the future. We hope that they can participate in a variety of community activities in a barrier-free environment and integrate into the community in their school days. Why did the Government separate people with disabilities under the age of 12 from the elderly and eligible people with disabilities to prevent them from enjoying fare concession on public transport? As a result of such a policy, their parents find it difficult to help their children integrate into the community. We claim to build a caring and inclusive society. Is this a manifestation of the so-called "inclusive" and "caring"?

Part (d) of my amendment seeks to tie in with Article 24 of the Convention, under which countries and regions are required to take care of the special educational needs of people with disabilities. In fact, many countries have enacted a special education law. Why? As we all know, most of the parents are not aware that their children suffer from specific learning difficulties until very late, not to mention enacting legislation on special education in Hong Kong. These learning difficulties include mild autism, various specific learning difficulties, attention deficit disorder and attention deficit hyperactivity disorder. It is estimated by psychiatrists that nearly 10% of the school children suffer from
According to a survey in the United States, more than 80% of prisoners are confirmed after assessment to have suffered from specific learning difficulties.

If these children cannot get enough support in their learning process such as learning difficulties screening, assessment by psychologists and suitable arrangements and support in school, they will tend to become a group of people of habitual failure. Among students in the so-called "Band Three" schools or dropouts, there are numerous people who have suffered from learning difficulties. According to many front-line social workers, these children originally want to achieve good academic results, but due to insufficient support by the school and community, they have gradually become a group of people who are neglected by society.

We should move towards legislation, which is not a new direction anyway. Our neighbour, Taiwan, has in fact enacted a law on special education, under which special learning needs are divided into 12 categories, including intelligence, vision, hearing, language, limbs, the sick and feeble, emotional behaviour problems, learning difficulties, multiple disabilities, autism, development delay and other difficulties. There is only one purpose for such detailed classification, that is, to ensure disabled children with different needs can receive proper care. Such classification is crystal clear. These children need to receive small class teaching — Mr IP kin-yuen is not present. Small class teaching, which we have discussed, is precisely what children with specific learning difficulties really need. The implementation of small class teaching can ensure sufficient care for them. But under the current education policy, they are left not cared for and in lack of support.

President, we do not want to see children with such difficulties not getting proper care. I hope Honourable colleagues will support my amendment.

I so submit. Thank you, President.

MS EMILY LAU (in Cantonese): President, I rise to speak in support of Mr LEUNG Yiu-chung's motion on "Building an inclusive society for all". Like many Honourable colleagues have said, we have great respect for Mr LEUNG. Over the years, he has proposed many motion debates, taking care of the benefits
of persons with disabilities. President, I have also proposed an amendment urging the authorities to implement the recommendations made by the United Nations Committee on the Rights of Persons with Disabilities (CRPD) after it had examined the report submitted by China (including Hong Kong and Macao) during the session convened at Geneva in September this year.

President, you might have heard me say on other occasions that the Democratic Party has formed a Hong Kong Coalition for the Rights of Persons with Disabilities with a number of organizations for persons with disabilities. Totalling 20-odd people, we set out on the journey to Geneva in high spirits. Although some members were wheelchair-bound, they headed for Geneva with unswerving determination. The CRPD highly valued our visit in addition to having great respect for them. With one heart and one mind, we were trying our best to bring the wishes of both persons with disabilities and the people of Hong Kong to the distant Geneva. President, after a two-day session, the CRPD presented a total of over 30 conclusions, observations and recommendations in late September. President, it is very strange that the Secretary did not attend the session. Would he not attend it if he were so concerned about it? The Permanent Secretary did not attend the session either, but the Commissioner now sitting beside him did. The Commissioner had to be reminded by the United Nations to attend the session.

President, the CRPD raised a very important point on the definition of disabilities and said that the current definition adopted by the SAR Government was out-of-date as well as inconsistent, varying from ordinance to ordinance and dependent of circumstances. The CRPD opined that it was most unacceptable and hoped that the SAR Government could do better by unifying the definition.

President, the CRPD is concerned very much about the implementation of the Convention on the Right of Persons with Disabilities (the Convention). Like Honourable colleagues have said, the Convention has been applicable in Hong Kong since 2008. What have to be fulfilled according to the Convention? We mentioned the Commissioner for Rehabilitation just now. President, I once raised an oral question in response to the CRPD's opinion that the Commissioner's grade being pitched at the equivalent rank of D2 was too low. Honestly speaking, the remuneration of an D2-equivalent position is higher than that of Legislative Council Members, but it is still comparatively low in ranking within the SAR Government. Since the CRPD opined that the Commissioner
was too low-ranked, what has it proposed? The CRPD has suggested neither to increase its remuneration or promote its grade; it suggested to enhance the Commissioner's authority. President, there is a big question mark hanging over our heads as to how to enhance it in Hong Kong. Perhaps we have to ask LEUNG Chun-ying to bid Ms Sophia KAO to ponder whether it can be done.

In his reply to my oral question on 31 October, the Secretary said that he would consider reviewing the Commissioner's terms of reference and ranking. But he added that the United Nations did not have to worry because under the existing policy, the Policy Committee (chaired by the Chief Secretary for Administration and the Financial Secretary) or the relevant Policy Groups under their portfolios would be responsible for reviewing all inter-bureau and inter-departmental topics.

However, President, we have noticed that the CRPD recommendations are mostly inter-bureau and inter-departmental. The Coalition, which is made up of dozens of organizations, thus requested the Policy Committee under the chairmanship of the Chief Secretary and the Financial Secretary to start working immediately. President, just as some Honourable colleagues and the CRPD have said, Hong Kong has no independent mechanism to oversee the implementation of the Convention. For this reason, I call on the authorities to establish an independent mechanism. But we should not always allow Ms Sophia KAO to pick its members because the latter will never be independent if they were picked by her. President, it will really be a very bad idea. Besides inviting persons with disabilities to be members of this mechanism, the CRPD also hopes that representatives of relevant organizations can be allowed to join to oversee the implementation of the Convention.

President, the CRPD has also mentioned the Equal Opportunities Commission (EOC) for it plays a major role. However, the United Nations feels that the EOC is very passive in its work. The Coalition also criticizes the composition of the EOC and how their members are selected. All these have made the public question its independency and credibility. For instance, some say that LAM Woon-kwong has done a good job while some say he has failed. However, President, whether he has done a good job or not is no longer important as he has left his tenure anyway. Nobody knows whom Ms Sophia KAO will choose to fill the vacancy. We are very worried about it. I agree to the
Coalition's opinion that the authorities should enhance the existing ordinances and policies that deal with equal opportunities and anti-discrimination. In addition to giving the EOC wider powers, we also hope to let people who have credibility and are independent of any influence take charge of it. If not, how can the EOC live up to its name? The next immediate thing to do will be to proactively promote and effectively oversee the implementation of the Convention.

President, like some Honourable colleagues have mentioned, the Secretary has also talked about the Rehabilitation Advisory Committee (RAC) in his reply to my oral question. Honestly, I do not know if you have ever heard of any publication by the RAC during the past couple of years. I really have not heard of anything from it. Maybe I am ignorant and ill-informed. We have been debating in this Council for so long and have even gone to the United Nations for further discussions, but what has the RAC come up with so far? The Government says that the RAC is a central mechanism, referring to it as a centralized mechanism that propels the Government to deal with the implementation of the Convention. This is really disappointing, as the terms of reference are extremely confined already. President, the RAC contains the word "rehabilitation", but the United Nations now says that it is more than "rehabilitation". It now deals with "basic human rights" and "rehabilitation" is only one of them. Today, I urge the Secretary to make corrections. Otherwise, the RAC will never be able to discharge its duty of implementing the Convention.

We really hope that the authorities can set up a dedicated committee, which will be fully authorized to push the authorities to implement the Convention, as proposed by Mr LEUNG. What should this dedicated committee do? President, there is a term that you must have heard of from time to time, that is, mainstreaming. President, I have been raising questions about gender mainstreaming through the years. Fortunately, we now have Dr Helena WONG to help asking questions in this aspect. However, after each questioning, no one understands it. Nor do the bureau and department concerned understand it. When I asked a Deputy Labour Commissioner this question, he said that he did not understand it and put the question back to me. I told him that it was a function of the Labour Department. Worse still, an additional task has been added to the Secretary's brief. What is the achievement after gender mainstreaming has been promoted for more than 10 years? It is the provision of bullet-proof vests for woman police officers. But the provision of toilets has become a mess. The other day when Dr Helena WONG had raised a question,
all Members pressed the button to ask supplementary questions. Worse still, the Secretary will have an additional task, that is, implementing the mainstreaming of the rights for persons with disabilities. This is a request by the international community. But this falls within the portfolio of the Secretary again. I am sure he will take us nowhere.

Therefore, I really hope that a dedicated committee on persons with disabilities can be set up as "Ah CHUNG" or the Coalition wishes. This committee, which will be vested with appropriate powers, will replace the RAC and take on members with representativeness to help promote the work so as to implement the mainstreaming of the rights of persons with disabilities in governance. President, I have presented my views. I also understand that our words seem to be totally ineffective to the Secretary or LEUNG Chun-ying's clique. Nevertheless, I have to put forth our views all the same, or else we will be criticized by the public.

President, "Ah Chung" mentioned sign language interpretation just now and said that the public are unable to watch it on the television. However, according to the information I have, Cable TV seems to be willing to broadcast the version with sign language interpretation. I wonder whether it is true. You can tune in to their programme right now to find out. President, this Council has provided sign language interpretation service for this motion debate. But as I told you during the lunch break, we have provided two options for television channels, that is, a version with sign language interpretation and a version without. As a result, most television channels have chosen the latter. "Ah Chung" was very correct; we should tell the Legislative Council Commission clearly that we have to provide sign language interpretation service and that such service should be arranged for all meetings. Instead of merely being available for the Question Time or special subject discussions, we hope to allocate more financial resources so that sign language interpretation service can be provided for all future meetings. It should at least be available for Council meetings with subsequent extension to all panel or committee meetings. Take a look at the examples abroad and you will see that many foreign countries have provided such service. We often say that Hong Kong is an international city. If we are not brought on par with international standards, can the Secretary be regarded as seriously derelict in the performance of his duties?
President, I hope that the motion proposed by "Ah Chung" can be passed. I will not support the amendment by the DAB although it said that it will support "Ah Chung". I hope that the motion can really be passed and a strong message hence disseminated to society. I so submit.

MR MICHAEL TIEN (in Cantonese): President, I support in principle the original motion moved by Mr LEUNG Yiu-chung on "Building an inclusive society for all". However, I am concerned in particular about the impact of the implementation of the minimum wage on the income and employment of persons with disabilities.

There are of late many different kinds of information available on this subject. A study by the Social Work Department of The Chinese University of Hong Kong shows that the implementation of the minimum wage has brought some adverse effect in employment on persons with disabilities. The findings show that of the 119 persons interviewed, 22% said that they used to have a job before the implementation of the minimum wage, but they have lost their jobs after that. My rough estimate is that if the number of persons with disabilities in employment in Hong Kong is taken to be about 46 000 persons at the beginning of last year, then according to this study, the number of persons who have lost their jobs as a result of the implementation of the minimum wage could be as many as 10 000.

Some other surveys point out that the wage increase for persons with disabilities after the implementation of the minimum wage is only about 10%. An agency which gives employment support to persons with disabilities points out that after the implementation of the minimum wage, there has not been any significant improvement in the wages received by persons with disabilities. Many companies which used to hire these people, such as fast-food shops, have greatly slashed their working hours, even if no assessment is made and the employees are given an hourly rate of $28. This reduces their income. And the number of persons with disabilities who are new recruits has also dropped. I think that the crux of the problem may lie in the assessment mechanism concerned.

According to information released by the Census and Statistics Department in 2009, there are about 45 800 persons with disabilities who are engaged in some
form of economic activity. The information from the Labour Department shows that as at end March 2012, only 195 persons with disabilities have undergone an assessment in productivity. And for the past two months, the number of such persons is only 11. To a certain extent this shows that employees with disabilities are generally not willing to accept this assessment mechanism on productivity. An agency which offers employment assistance to people with hearing impairment says that many of these people think that this kind of work assessment is an insult and they would not take the initiative to seek such an assessment. In addition, as far as I know, when persons with disabilities want to undertake an assessment of work capacity, they have to overcome many obstacles. This is due to the fact that some of them cannot move about easily and their language abilities may be low. It is therefore not easy for them to complete this kind of assessment of work capacity.

Moreover, I have learnt from some information that these persons with disabilities are mostly employed in some social enterprises. But these social enterprises have a limited budget and they cannot afford to pay all the staff at a rate of $28 an hour. These enterprises do not know what the results of the assessment would be like and they are worried that the scores obtained may not be too low and they do not want to make the decision of employing these persons with disabilities after they have taken the assessment. So I have been given to understand that many social enterprises began to hire less disabled persons since May last year.

I have no idea how many cases are there. I therefore demand that a review be undertaken of the impact of the implementation of the minimum wage on the income and employment of persons with disabilities. This will enable us to discuss whether this assessment is the best way to protect the rights of these people or if we need to examine the option of using an exemption system as this may be more advantageous to them.

I wish to emphasize that many of the examples cited by me are hearsay. Some of these are what I learnt from newspaper reports and some of these are information obtained by me when I called these persons personally on the phone for an interview. But the fact is, I do not have much concrete evidence on this and I would therefore like to have a review of the situation.

This is all I wish to say on the subject. Thank you.
SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first of all, I have to thank Mr LEUNG Yiu-chung for proposing this motion on "Building an inclusive society for all", as well as the six Members, including Dr Fernando CHEUNG, Mr WONG Kwok-hing, Ms Emily LAU, Mr CHAN Han-pan, Mr Michael TIEN and Dr KWOK Ka-ki, for proposing amendments.

Let me begin by stating right at the outset that the Government of the Hong Kong Special Administrative Region (SAR) is very much concerned about the well-being of people with disabilities. They are absolutely not "a forgotten group of people" as described by Mr LEUNG Yiu-chung earlier on. That is absolutely not true.

The United Nations Convention on the Rights of Persons with Disabilities (the Convention) has entered into force in the People's Republic of China, including the Hong Kong Special Administrative Region, since 31 August 2008. As stated in the Hong Kong Rehabilitation Programme Plan, it has all along been the objectives of the development of our rehabilitation policy to help persons with disabilities develop their capabilities and to create a barrier-free environment, with a view to ensuring that people with disabilities can enjoy full participation and equal opportunities both in terms of their social life and personal growth. These are the fundamental spirit and core values of the Convention. The promotion and implementation of the Convention is an ongoing initiative. It is also the direction of the continued development of rehabilitation services in Hong Kong.

Since the Convention was brought into effect, the SAR Government has continuously provided additional resources to enhance the provision of support services to people with disabilities. The overall recurrent expenditure on these services of the relevant government departments increased from $16.6 billion in 2007-2008 to $21.7 billion in 2011-2012, representing a 31% increase. In the current financial year, that is, 2012-2013, the expenditure has further increased to $23.2 billion, an increase of as much as 40% over 2007-2008. I think this precisely shows the importance we have attached to improving the services provided to them. On the other hand, the Labour and Welfare Bureau has from 2009-2010 onwards substantially increased the annual allocation for public education activities to promote the spirit and core values of the Convention, and
given the importance of public education, the allocation has increased from about $2 million in the past years to about $13 million. The objective is to step up the promotion of the spirit and core values of the Convention among members of the community, with a view to promoting a truly equal, barrier-free and inclusive society.

Working towards these policy objectives, all Policy Bureaux and departments of the Government are fully aware that in formulating policies and implementing service programmes, due consideration must be given to the requirements under the Convention. For policies and measures which will bring about significant impact on people with disabilities, it is all the more necessary to suitably consult people with disabilities and stakeholders and draw up guidelines to ensure that these policies and measures can adequately cater for the needs of people with disabilities, thereby facilitating their full integration into society.

In fact, with the full co-operation among the rehabilitation sector (which certainly includes organizations for people with disabilities), various sectors of the community and the Government over the years, the rehabilitation services in the SAR have continuously moved ahead over the years, providing a good foundation for the further promotion and enhancement of the rights and equal opportunities of people with disabilities. Based on this solid foundation, we will make continuous efforts to develop and improve our policies and services. The Labour and Welfare Bureau will continue to maintain close liaison with the relevant bureaux and departments, in order to remind them from time to time of their responsibilities to seriously review the policies and measures under their purview and take appropriate measures where necessary to ensure compliance with the provisions of the Convention.

President, the SAR's initial report under the Convention was submitted to the United Nations in August 2010. In preparing the report, we incorporated the views expressed by various sectors of the community on the outline of the topics during the public consultation conducted from February to March 2010. In the report, we have set out in detail the administrative, legal and other measures taken by the SAR to implement the Convention and the progress thus achieved. The report has also given an account of the efforts made by the rehabilitation sector, including organizations for people with disabilities, and various sectors of the community in building an equal and barrier-free society.
The United Nations Committee on the Rights of Persons with Disabilities (CRPD) examined our report in September this year and made specific recommendations on the further implementation of the Convention in Hong Kong. The Labour and Welfare Bureau is reviewing the recommendations comprehensively and studying appropriate follow-up actions jointly with the relevant bureaux and departments. We will report on the relevant issues and provide the Administration's initial response to the CRPD recommendations to the Rehabilitation Advisory Committee and the Legislative Council Panel on Constitutional Affairs in December. Compliant with the requirement of the United Nations, we will submit our second report to the CRPD in September 2014 to report on the implementation of the Convention and the improvement measures taken in accordance with the CRPD's concluding observations on the initial report.

President, I so submit. I will give a more detailed response after listening to the views of Members on this issue. Thank you, President.

PRESIDENT (in Cantonese): I was just informed by the Secretariat that Cable TV, NOW Channel and Radio Television Hong Kong's TV webcast have agreed to broadcast the sign language interpretation for this motion debate.

I think this debate can be completed before midnight and so, I shall adjourn the meeting after all items of business on the Agenda have been finished.

MR CHARLES PETER MOK (in Cantonese): President, I support the original motion from Mr LEUNG Yiu-chung as well as most of the amendments from Members. I wish to discuss in particular the idea of protecting the learning needs of school children with specific learning difficulties raised in the amendment by Dr KWOK Ka-ki. Actually, I would like to point out that this kind of needs is not just found among school children.

President, Hong Kong is an international city where social resources are abundant and we have good information technology infrastructure. We should make good use of our advantages and improve the quality of life and learning of people with special needs. In view of this, we should fulfil our responsibility under the United Nations Convention on the Rights of Persons with Disabilities
and help the disadvantaged and protect their rights. In areas other than transport, healthcare, infrastructure facilities with services already provided to persons with disabilities, we should also help them by narrowing the gap between them and able-bodied persons in the application of information technology in their life.

As an example, some organizations wish to apply for funding from the Community Care Fund to provide some subsidy to persons with disabilities in the monthly fee they pay for using smart phones. They can use the 3G or 4G mobile phone network for access to real-time face-to-face video phone service and even emergency simultaneous interpretation service for the hearing-impaired. The proposal was not approved in the end, but it shows the potentials of the use of information technology by persons with disabilities.

In recent years, the Government has launched a policy of digital inclusion and adopted a number of measures. These include the Web Accessibility Campaign and funding to assist in the development of assistive technology for persons with disabilities, and so on. According to a report published by the Hong Kong Blind Union in 2012 on tests conducted on web accessibility, although there has been some visible progress in web accessibility since the implementation of the scheme concerned, there is still a gap between the situation in Hong Kong and international standards. It can be seen that the Government should put in more resources in the relevant work. However, according to the report submitted by the Office of the Government Chief Information Officer (OGCIO) this May on the progress of digital inclusion, it is shown that the Web Accessibility Campaign only managed to get a funding of $2 million for the year 2012-2013 to develop webpages accessible to persons with disabilities. Just what can be done with a sum of $2 million? Can the practical needs of persons with disabilities be met by a mere $2 million and for use mainly in promotion and educational activities? Speaking of blind persons alone, there are more than 120,000 blind persons in Hong Kong and for persons with disabilities in the upper limbs or the four limbs, the number is close to 50,000. Since the target group is so large, should more be done such as requiring the NGOs given government funding to adopt accessible webpages, and giving tax rebates and other subsidies to the production of accessible webpages? This can encourage more private organizations to join the campaign and persons with disabilities can then benefit from the services provided to obtain more information.
On the development of assistive technology for persons with disabilities, the OGCIO has only set aside $3.6 million to fund only nine projects. On average each project can only get a funding of $400,000. Would this amount of subsidy be enough? A report in a weekly magazine today says that the organization which has undertaken this study, that is, the Internet Professional Association, has run into problems of fiscal discipline. The organizations responsible for development work have not yet received funding for some of the projects. This may be due to problems in government regulation. But leaving aside these serious problems of governance and integrity for the moment, the report also says that the products developed can be downloaded and distributed free of charge. In these nine projects, there are software and hardware. Even if the software is only for circulation on the Internet and to be downloaded, the amount of resources needed is limited. With this amount of $400,000, how many sets of software can be produced and given away to people who need them? Actually, the development project concerned does not put any resources in technology and application for the users.

Let me cite another example. The Hong Kong Blind Union has a web accessible electronic learning support project funded by the Quality Education Fund, but the funding will expire by next April and the amount granted is only some $3.8 million. What they are doing is to study the subject of using electronic learning materials and assistive hardware/software to help students with dyslexia. All these are urgent needs of persons with disabilities. A few days ago Members may have watched the TV news and there was this story about a blind secondary school student. If he does not have this kind of special electronic books, he will have to bring a case of printed books to school every day. He certainly deserves our sympathy. Should the Government not give them assistance like the way it does with services provided for the disadvantaged, and should they not be given more long-term funding?

We can see that many of this kind of funding are scattered among many government departments, like the OGCIO, the Education Bureau, and even the Social Welfare Department. Should the Government not try to consolidate all these so that there can be some kind of co-ordinated and centralized scheme to help these people in need?

Apart from the physically disabled, we have to care about those with dyslexia. Now less than 1% of the newly published books provide suitable
editions for readers with reading difficulties, including those with disabilities and dyslexia. The Government should encourage more publishers and agencies for persons with disabilities to jointly develop editions of books for use by persons with reading difficulties. The Government must do more work for the benefit of persons with disabilities such as conducting consultation for relevant legislative amendments, waiving the copyright requirements of publications meant for dyslexia readers, and so on.

President, I so submit.

MR DENNIS KWOK (in Cantonese): President, the aim of the United Nations Convention on the Rights of Persons with Disabilities is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities and to promote respect for their inherent dignity. And education is a very important way to build up their life so that they can develop their potentials and thinking and acquire better communication and social skills. This will enable them to lead an independent and fuller life.

The focus of my speech is on education, because Article 24 of the Convention provides that it is very important to protect the right of persons with disabilities to receive education and education should be used to enable their integration into community life. Unfortunately, the Secretary for Education is not in attendance today. I hope that the Administration can convey our views on education to the Secretary. The Secretary has just said that the mentally handicapped and persons with disabilities are not a forgotten group in society. I recall that in 2003, mentally handicapped students were entitled to 12 years of free education while students in mainstream schools were entitled to only nine years of free education. The mentally handicapped students had three more years of free education because they need a longer time to learn and more resources and time in teaching should be devoted to them.

Unfortunately, however, as the Government tries to meet the needs of the majority and when it introduces the new academic structure of 3-3-4, it has increased the nine-year free education to 12 years, but these mentally handicapped students are simply forgotten, in that no attempt was made to increase their learning time by another three years and their learning resources
and time remain the same. This means that they were forgotten by the Government back then and their education needs are not addressed squarely.

At that time, I had the chance of applying for leave to file a judicial review on behalf of these mentally handicapped students and we wanted to demand a right in education on their behalf. I promised these students that if I should become a Member of this Council, I would continue to fight for their rights. I do not think any person would like to see that a group of mentally handicapped students are forced to take their case to the Court and applied for leave to file a judicial review. But it was because government policies did not cater for their learning and education needs that there was a need to file a judicial review at that time.

I hope that in any policy on education the Government is to devise in future, it can pay special attention to the resources and learning time needed by mentally handicapped students. As a matter of fact, in other countries — Dr KWOK Ka-ki has mentioned the Special Education Law in Taiwan. Apart from Taiwan which enacted a relevant law in 1984, the United States enacted a law on special education in 1975, the United Kingdom in 2001, Japan in 1954 and France in 2006. In all these countries laws are enacted to ensure protection and that the education needs of persons with disabilities are taken care of by society and the law. The specific provisions of such a law include the implementation of different kinds of special education embracing the four stages of pre-school, primary, secondary and higher education. Such special education should meet the learning needs of children with mental and physical disabilities at different stages of their development. A special education law also has provisions requiring the government concerned to set aside no less than a certain percentage of the resources in its budget on education to special education. This is a concern especially addressed to special education.

Article 24 of the Convention states that "States Parties shall ensure an integrated education system at all levels and lifelong learning directed to: ....... the development by persons with disabilities of their personality, talents and creativity, as well as their mental and physical abilities, to their fullest potential; enabling persons with disabilities to participate effectively in a free society." In comparison, the Hong Kong Government has introduced a whole-school participation mode of integrated education for persons with disabilities. We can see that with the introduction of this policy so far, although some students with
disabilities have entered some mainstream schools, their experience has shown that the policy is fraught with loopholes and problems. When these persons with disabilities have entered the mainstream schools, such schools do not have the resources, manpower and experience to monitor their progress in learning and whether in terms of the time taken and the learning process, they can really integrate into the mainstream schools concerned. Such are the problems we see in the Government's policy on integrated education.

Many education groups found that mentally handicapped students after enrolling in mainstream schools can only survive on their own. The schools do not know how to deal with the problems faced by these students, and in a way, this has wasted their learning time and eventually ruined their life. Since the Government has got the resources and the time, it can actually put in more resources and time for these mentally handicapped students, so as to enable them to really merge into the learning pattern and teaching offered in mainstream schools like other students.

President, the Civic Party supports Mr LEUNG Yiu-chung's original motion. We hope that the Hong Kong Government can enact a sound law on special education and formulate a relevant policy to help mentally handicapped persons and persons with disabilities integrate into the education system. Thank you, President.

MR YIU SI-WING (in Cantonese): President, the United Nations Convention on the Rights of Persons with Disabilities has come into force since 31 August 2008. China is one of the first signatories to the Convention. The Government of the Hong Kong SAR is therefore obliged to implement the provisions of the Convention. Measures must be devised promptly to take forward the protection of the rights of persons with disabilities.

The first report with respect to this Convention was submitted by the SAR Government in October 2010. The report mentioned the situation regarding the protection of the rights of children with disabilities. A decision was made to make the best interest of children an essential consideration. In December 2011 the Community Care Fund introduced a subsidy on learning and training for children waiting for subsidized pre-school rehabilitative service. Some organizations also make use of community resources to introduce pre-school
services for children with disabilities. They provide intervention arrangements at an early stage, that is, for newborn babies and children aged up to two years with disabilities. These are actions taken in response to the requirements of the Convention.

However, when the Government introduced the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, the beneficiaries were only elderly persons above the age of 65 and persons with 100% incapacity aged between 12 and 64. It is clear that the concessionary scheme was not well-thought-out because children with disabilities below the age of 12 and persons with partial disabilities were not included. The Government should seriously consider including these people in the scheme. I will therefore support the original motion.

In addition, it is also mentioned in the Convention that persons with disabilities should be provided with all kinds of social support services to facilitate their inclusion into society. Public community facilities should be able to meet the needs of persons with disabilities. As Hong Kong is a major tourist city in Asia, apart from meeting the above requirements, the Hong Kong Government should enhance its educational efforts so that the citizens and visitors to Hong Kong can be courteous to persons with disabilities in public places and tourist spots. We can often see that in the large shopping malls and tourist spots, and when the places are crowded, there may be some citizens or tourists who for convenience's sake will occupy some facilities for exclusive use by persons with disabilities such as washrooms and lifts. This results in prolonged waiting time for those in need of such facilities. Among the many tourist spots in Hong Kong, a number of them have done something to protect persons with disabilities and these places can serve as our reference. In the Disneyland, for example, there are exclusive areas for persons with disabilities and special services are provided for them. The staff there are eager to offer their help. So even if these persons with disabilities are unaccompanied, they can move about easily in the park and enjoy it under barrier-free conditions. As there are many large shopping malls and tourist spots in Hong Kong, the Government should do something to encourage or even legislate on requiring these places to perfect their facilities for use by persons with disabilities and to give suitable training to the staff concerned.
Both the MTR and buses in Hong Kong have introduced the priority seats and the arrangement is meant to enable persons in need or with disabilities to get the right kind of care. I suggest that the Government should expand the scope of this plan and encourage other modes of transport to launch campaigns on care and courtesy. This would include waiving the requirement for persons with disabilities to line up for service. Also, leaflets can be distributed at the immigration checkpoints and visitors' information centres to enhance people's awareness of courtesy to persons with disabilities. It is hoped that with such publicity and education efforts, the citizens and tourists can join hands to care for persons with disabilities. This will promote harmony in society and give full play to the spirit of mutual assistance. A civilized Hong Kong will certainly help the development of tourism here.

President, I so submit.

DR CHIANG LAI-WAN (in Cantonese): President, the United Nations Convention on the Rights of Persons with Disabilities has already come into force in Hong Kong. I am concerned about Article 27 of the Convention which is on work and employment and in particular point (e) under it. It says, "Promote employment opportunities and career advancement for persons with disabilities in the labour market, as well as assistance in finding, obtaining, maintaining and returning to employment".

Let us look at the employment figures for persons with disabilities in Hong Kong and other countries. According to figures from the Census and Statistics Department, there are presently 360,000 persons with disabilities in Hong Kong and the number takes up 5.2% of the population. A survey found that the overall unemployment rate in Hong Kong is 3.2% but the overall unemployment rate for persons with disabilities is as high as 87%. That is to say, in every 100 persons with disabilities, only 13 persons have a job. As for the employment rate, there are some 3.6 million wage earners in Hong Kong and the employment rates among males and females are 70% and 50% respectively. But for persons with disabilities, the employment rate is less than 20%. However, in some Western countries such as Canada and Ireland, the employment rates for persons with disabilities are 53.5% in Canada and 37% in Ireland.
Why are job opportunities for persons with disabilities so plenty in other countries? We can take a look at point (g) of Article 27 of the Convention. It says, "Employ persons with disabilities in the public sector". We can see that in some European and African countries, and in Japan and Korea, they have implemented a system called "quota employment system". What is meant by a quota employment system? It means that after a government agency has hired a certain number of people, it is required to hire one person with disabilities. There is a law on the Mainland which stipulates that the proportion of all persons with disabilities employed in a government unit shall not be lower than 1.5% of the total number of staff in employment. In Taiwan, legislation is enacted to require government agencies at all levels, public schools and public-sector agencies with a staff size of more than 34 persons to hire persons with disabilities at a percentage of no less than 3% of the total number of staff.

Then what is the case in Hong Kong? According to figures from the Civil Service Bureau, the situation here is not too bad. The number of civil servants with disabilities hired each year takes up 2% of the total number. A number of major social service agencies in Hong Kong such as the Pok Oi Hospital, Yan Oi Tong, Tung Wah Group of Hospitals and Yan Chai Hospital have all pledged to raise the percentage of disabled staff to 2% of the total number. From this it can be seen that both the Hong Kong Government and the social service agencies are working hard on that, only that they do not work as hard as other places.

Although persons with disabilities have physical disabilities, their intelligence is perfectly all right, just like any other able-bodied person. Some persons with disabilities tell me that with time, a person will get used to the physical disabilities. What they consider to be the greatest problem in adaptation is that they should be given opportunities by society so that they can bring into full play their working abilities and make contribution to society.

I remember that more than 10 years ago my company hired a person with disabilities. Although he had cerebral palsy, he liked jogging in his spare time and he even represented Hong Kong in the sports meets. He won the gold medal in the 4x100 m relay event in the Paralympics. His endeavours showed that persons with disabilities can serve our society in different positions.

I wish to share one more story from my own experience. The other day I visited a restaurant run by a social enterprise which offers jobs to persons with intellectual disability. I talked with a waitress who is a person with intellectual
disability. I asked her if she felt happy working there. She said she was very happy. I asked her why she was happy. Then she took off a hairpin from her hair slowly and showed it to me, saying, "Sister, this is something I bought with the money I earned." I was moved at that moment because I could see the glow of joy on her face. She had finally found that she was a useful person and she could really feel the meaning of life. It is a basic right for every person to have dignity and an opportunity for work. I am sure that when persons with disabilities can find a suitable job, they will live a happier and more meaningful life.

President, I support the motion today and as for the work on promoting employment of persons with disabilities, I have the following suggestions to make and I hope the Government can follow these up and put them into practice.

First, as the largest employer in Hong Kong, the Government should set itself as an example and hire more persons with disabilities and increase the ratio of such persons in the Civil Service.

Second, the Government may consider offering some incentives to private enterprises such as in tax in order to encourage them to hire more persons with disabilities. This includes offering them part-time jobs. For persons with mobility difficulties, the arrangement of home office can be made and in this way, more people can be encouraged to integrate into society and take up a job.

Third, we think that laws should be enacted to set up a quota system for the employment of persons with disabilities by requiring enterprises of a certain scale to hire a certain number of persons with disabilities according to a certain ratio.

Lastly, I hope that the Census and Statistics Department can collect and release figures on the employment and unemployment of persons with disabilities on a regular basis. This can serve as an indicator of the effectiveness of measures to assist the employment of persons with disabilities, hence making government policies more to the point and help persons with disabilities. In this way, they can then restore their working abilities, integrate into society and bring their potentials into play.

I so submit. Thank you, President.
DR KENNETH CHAN (in Cantonese): President, about our day-to-day contact with persons with disabilities and the theme of today's motion, that is, "Building an inclusive society for all", I am sure my experience in this regard would not be any less than that of most of the Honourable colleagues in this Council. This is because I have a serving staff member of my office who is a person with disabilities.

I can say for sure and clearly to every one here that I find from talking and working with that person that persons with disabilities are only people who have a certain part of their body which functions differently from other people. And we do not have to make friends with, come into contact with or talk with them in any special way. If we can let them have the same respect and recognition as we would give to any other person, that would be the best and the greatest kind of support we can ever give them.

It is sad to note that in Hong Kong, while we may say that we care for persons with disabilities, we do not have enough respect for them. Many public policies on persons with disabilities all show that members of the public think that it is a duty of society to take care of persons with disabilities. But the authorities have not paid attention to problems like equal opportunities and reasonable respect for persons with disabilities.

Today, I would like to make an analysis of the abovementioned situation in the areas of education and employment.

In education, the Administration has in recent years been advocating integrated education, in the hope that the challenges faced by students with disabilities can be addressed by integrated education. By all appearances, integrated education can allow students with disabilities to integrate into the mainstream schools and learn with other students together. But if the matching facilities are not enough, integrated education may on the contrary exert more pressure on disabled students and their parents. Also, not all schools have teachers dedicated to offering support to disabled students and other kinds of professional support are inadequate.

A school may have some teachers responsible for giving support to students with special learning needs. But the teachers may feel a good deal of pressure in the training they receive. For example, teachers responsible for taking care of students with special education needs are only required to receive
90 hours of training. For other teachers, the training they get is only about 30 hours. The training received by teaching assistants is just 12 hours. When teachers, teaching assistants and other teachers, after getting only a short period of training, are expected to handle all students with special learning needs, this is certainly not desirable.

It is really a very tall challenge when teachers, parents and students do not have enough time and room for manoeuvre to accept integrated education, hence achieving the goals set out by it. The Administration must increase the resources and manpower in this respect.

When students with disabilities study in mainstream schools with insufficient support, they will find it hard to adapt to school life. This runs counter to the original policy intent. When integrated education becomes like this, it will only cause harm to the students. This situation must be rectified immediately.

The Administration must make sure that special education should be taken forward in an appropriate manner. Students with disabilities should be given more options and integrated education should not be used to replace special education. Now the Government is undertaking a review of the new academic structure for senior secondary schools. There are studies such as the one undertaken jointly by the Hong Kong Blind Union and the University of Hong Kong which show that under the new senior secondary school system, the visually impaired students think that the matching facilities are insufficient and this is unfair to them. They feel that they are unfairly treated. When these visually impaired students undertake school-based assessments, they find that people do not show enough recognition for their needs.

Now I would like to turn to the issue of employment. Many Honourable colleagues have said earlier that the employment rate of persons with disabilities is very low. As seen in Special Topics Report No. 48 compiled by the Census and Statistics Department, about 45,800 persons with disabilities are engaged in some form of economic activity, and about 41,000 of them are in employment. The unemployment rate of them is more than 10%, which is much higher than the overall unemployment rate of 3.4% in Hong Kong. Many persons with disabilities think that they face much suspicion and prejudice in society and they may choose to escape or withdraw from the labour market and rely on social welfare or care from their families.
A job is very important to persons with disabilities in their integration into society. This is because they can affirm their self-worth through work and they do not have to rely on welfare. They would very much like to be treated fairly and given equal opportunities. They hope that the employers can realize their abilities, such that they can bring their abilities into play.

As far as I know, many employers still have some apprehensions about hiring persons with disabilities. But I think such apprehensions are unnecessary because I know from my personal experience that their performance at work can be very good. What the employers can do is to make some adjustments in the division of labour and work flow and these persons with disabilities can work very well with other staff members.

I think the Government may put in more efforts in the following three areas to encourage employers to give more opportunities to persons with disabilities.

First, the Government should take the lead in providing job opportunities for persons with disabilities. This will set an example for the employers of private organizations and companies so that they can have more confidence in hiring persons with disabilities.

Second, the Government must examine the employment and related support services provided for persons with disabilities and provide relevant data on the effectiveness of these services to enable objective discussions be held among members of the public.

Third, in the long run the Government must study an employment quota system for persons with disabilities and protection should be assured by way of legislation. At the same time, it must encourage companies to adopt a positive and proactive attitude in such matters, with a view to achieving a better inclusion effect.

Lastly, in the short run, government departments and public service agencies should be more aggressive in hiring persons with disabilities, and set an objective for the same. I think that the Government must set such an objective, be it 3% or even higher.

President, persons with disabilities do not need mercy and alms. What they need are equal opportunities and respect from other people and opportunities
for them to give play to their potentials. I think that all of these are, as mentioned in the original motion, core values enshrined in the United Nations Convention on the Rights of Persons with Disabilities.

I so submit.

**MR RONNY TONG** (in Cantonese): President, sometimes, I greatly admire colleagues of this Council. Perhaps I should say that I admire certain colleagues of this Council.

President, regarding the difficulties faced by persons with disabilities and related issues, this Council has discussed these for more than 10 times during the eight years I have been a Member. However, since I joined the Council, no progress has been made in the relevant issues.

I notice that five colleagues have proposed amendments to the original motion proposed by Mr LEUNG Yiu-chung, and they have generated as many as 64 combinations. Among the many amendments, one amendment is comparable to a Christmas tree, for 15 proposals are added under the amendment. Truly, I admire the colleagues of this Council. Despite every endeavour made on the discussion of these issues over all these years, Members remain enthusiastic in discussing the question and proposing the many amendments. I think, had not Members been concerned about the workload of Secretariat staff, they would have put forward 30, 40 and even 50 proposals, which can be done effortlessly. President, having said that, I think the crux of the problem can be summed up in one word, and thus it is unnecessary to put forth the 15 proposals.

President, what is the word? I did think of the word "mean" at the first instance, but it seems to be too harsh. Hence, I would use the word "indifferent". We should help persons with disabilities, should we not? We have the capacity to help them, have we not? Or, is it just because we are unwilling to help them? Therefore, I think it is indifference. Does it mean that we do not need to help them before the United Nations Convention on the Rights of Persons with Disabilities (the Convention) comes into force? Or that the Government will be unwilling to help despite the Convention has come into force? Therefore, I think this is indifference. Does the Government not have adequate resources? Are persons with disabilities in the territory outnumbering
persons in poverty? Will the resources required for assistance greatly increase the Government's recurrent expenditure to the extent of leading to bankruptcy? President, no, it will not. Therefore, I think this is indifference.

Let me use a simple example to illustrate this: Barrier-free access. Proposals in this respect have been put forth for a long time, yet the Government makes all kinds of excuses to avoid addressing the issue. We have invited the Government to appoint representatives to take part in discussions at meetings of the working group, but the Government employs every excuse to turn down the invitation. Once LEUNG Chun-ying assumed office, he searched for opportunities to carry out policies not costing much, hoping to shift the focus of the public to livelihood issues as he desired. For this reason, he chose to pursue the "barrier-free access" issue, and proposed that all bridges in the territory would be retrofitted with lifts. The task was completed without any difficulty. However, in the past eight years, the Government has consistently stated that the proposal is impracticable due to technical problems and resource concerns. Now, with a single remark from him, all the problems are suddenly solved. Therefore, I think this is indifference.

President, many colleagues have raised concern about the employment of persons with disabilities. Among all the employees, persons with disabilities are those earning the least income. What jobs do they usually work? Despite their high academic qualifications, they will never be able to get high-level jobs. They are only employed for jobs like sticking envelopes, folding leaflets for Members or washing dishes, earning some $4,000 monthly. If Members' Office can afford employing persons with disabilities, why can the SAR Government, being the largest employer in Hong Kong, not employ persons with disabilities? Why does not the Government take the lead to change this culture in society? Therefore, I think this is indifference.

Concerning the arrangement on traffic expense for persons with disabilities, we have set aside the issue of providing concession, and we are merely requesting the Government to offer assistance. However, after the discussion for eight years, the Government has at best implemented the $2 per trip concession. The Secretary told us, "Sorry, children do not need the assistance." President, this is baffling to me. Perhaps I am really too stupid, just unsuitable to live in such a social environment. Really, I do not understand why children under the age of 12 should not be offered assistance? Are children
under the age of 12 making more money than those over the age of 12? Are parents of these children earning more? President, this is not the case. Who will pay the transport fees for these children? President, it is their parents.

A number of colleagues pointed out that in many countries, support is not only provided to persons with disabilities but also to those who help persons with disabilities integrate into society. However, in Hong Kong, the Government is unwilling to help children under the age of 12? When the Government is asked to give justifications for not doing so, it puts up a face showing an attitude of "explanation-is-not-required". Therefore, I think it is indifference.

President, among the speeches made by a number of colleagues, some are very emotional, some are very touching and some are extremely convincing. However, I am sure irrespective of the passage of this motion, the Government will not take any action, for our Government is indifferent.

MR LEE CHEUK-YAN (in Cantonese): President, Mr Ronny TONG said earlier that society is indifferent and he did not want to use the word "mean". Despite the discussion for several decades, we are still marking time and the development of inclusion is in the doldrums, if so, I think we really have to say that the Government is mean. We cannot but say so for we find that the Government is unwilling to respond positively to the aspirations of persons with disabilities. We may look at the case of half-fare concession for persons with disabilities. Mr LEUNG Yiu-chung has been proposing this for eight years. The Secretary will surely say that the Government has now introduced the $2 per trip concession. However, Members should bear in mind that had the Government been proactive and not indifferent, why would it have kept us waiting for eight years, and why would it have the issue discussed for so many years before agreeing to offer the assistance eventually? Yet, this arrangement is not comprehensive. With regard to the arrangement for children under the age of 12 as mentioned by Mr Ronny TONG earlier, I recall clearly that the Government promised the Legislative Council of the previous term to conduct studies on the issue. Why children with disabilities under the age of 12 are not allowed to enjoy the $2 per trip traffic concession? Why? The Government has promised to do so, so I hope we will at least hear a desirable answer on the issue today, and that there will at least be some change.
Moreover, about the degree of disability of 50%, Members can now see that Mr WONG Kwok-hing likes to put out one leg, and I know what message he wants to strike home without looking at him. He definitely wants to ask why persons with 50% disability are not entitled to the concession. He has a point there. Why can person having lost one leg not enjoy the concession? Why are many existing holders of Registration Card for Persons with Disabilities (the Registration Card) not entitled to the concession? Only recipients of Disability Allowance can benefit from the concession, and they must be 100% disabled. For persons with 50% of disability, they cannot enjoy the concession. At present, holders of the Registration Card are not entitled to the concession. Why can the scope of concession not be expanded to cover all? If that is the case, integration will be truly realized. All persons with disabilities, irrespective of their degree of disability, will at least have more opportunities to integrate into society. This is the first part I would like to talk about, that is, the issue on transport.

However, the issue I earnestly want to discuss today is that I think the Government or society as a whole has failed to realize inclusion in employment. The main factor preventing persons with disabilities from integrating into society and gaining respect is prolonged unemployment or being out of work for a long time. Members may learn the sex ratio of the existing labour force in Hong Kong from the statistics. In respect of the male population, about 70% are in the labour force, as for the female population, some 50% are in the labour force. How about persons with disabilities? Only 13% are in the labour force. In other words, in the population of persons with disabilities, only 10% or so are engaged in economic activities. What about the rest of them? They cannot but become "home-bound men" and "home-bound women". They can only stay home and cannot integrate into society. This problem has been discussed for many years, but no remedial measure is offered to date.

The Labour Party always advocates the setting up of a quota system. Since Dr Fernando CHEUNG did not have the time to talk about this point earlier, I will now explain the quota system. In fact, the setting up of a quota system is the most proactive approach in helping persons with disabilities to seek employment. Some consider it impracticable to force SMEs to implement such a system. As such, I must state here that SMEs are not the focus of the system, for the system is targeted at companies with over 100 employees. Besides, it is impracticable to force employers to employ them. Hence, another option which
obviates forcing employers to employ persons with disabilities is to spend that sum of money on the procurement of services provided by social enterprises of persons with disabilities. Members know that there are a lot of social enterprises at present, providing car-washing services, running food establishments and arranging for mail services, and so on. Many workshops have employed persons with disabilities, for they have work capacity. If companies are willing to procure these services provided by social enterprises or employ persons with disabilities, a large number of employment opportunities will be created immediately.

Later, the Secretary needs not tell us how the Selective Placement Division (SPD) has carried out its work and how the SPD has helped them find employment. It is useless. Despite the setting up of the SPD, bosses and employers are still unwilling to employ persons with disabilities, and even welfare organizations and subsidized organizations have not employed persons with disabilities to date. The Government has proposed the employment target of 2%, but they fail to meet that target. The Secretary may recall that we had written to these organizations many times, and whenever we met with you or York CHOW at the meetings of the Panel on Welfare Services, we urged you two to write to these welfare organizations more frequently. But eventually, what is the figure of such employment? We are still marking time. If it is not mean, what is it then?

As such, we believe that the setting up of a quota system for employment of persons with disabilities is the true solution to the problem. Certainly, some people propose the provision of tax concession, and I think this is better than none. Yet, I consider the setting up of a quota system a fundamental solution. I hope I will hear some positive message in this direction, but not marking time again.

Finally, I would like to discuss minimum wage. In fact, persons with disabilities are now excluded from the minimum wage coverage, for they must undergone productivity assessment. By now, only 200-odd persons have undergone the assessment; this figure was provided by the Secretary at the meeting of the Panel on Manpower held yesterday. There are many persons with disabilities working, why have only 200-odd persons undergone the assessment? Even rehabilitation organizations have not done the assessment for its employees with disabilities. I now suggest the Secretary to do one thing, that
is, to request all organizations subsidized by the Government to carry out the assessment for all their employees with disabilities. If the assessment confirms that wages of these employees need to be raised, the Government should bear the cost, and since these organizations are funded by the Government, the Government must fund the pay rise. Why does not the Government do so? We consider that all employees with disabilities now working in rehabilitation organizations should undergo the assessment instead of being granted the exemption.

Thank you, President.

MS CYD HO (in Cantonese): The United Nations Convention on the Rights of Persons with Disabilities (the Convention) came into force in Hong Kong on 31 August 2008. It is now 2012, four years have passed, and yet not much has been achieved by the Government. Since the Government adopts the "toothpaste-squeezing" approach, groups after groups of persons with disabilities have to come forward to strive for bits and pieces of rights and benefits, including transport concessions, continued education for student with intellectual disability of the age of 18, and improvement of hearing aid for students from single side to both sides. Let me use the application involving cochlear as an example. Should the demand for improvement be addressed to the Hospital Authority or the Education Bureau? Another example is the cutting of classes in Ebenezer School. Every time, parents or persons with disabilities affected have to come forward to fight for their benefits, which are provided to them bit by bit in the end. All these examples speak volumes about the fact that though the Convention has come into force in Hong Kong, the mindset of the SAR Government has not changed.

Persons with disabilities have to deal with difficulties in studies since their childhood. At present, they may continue with their studies after the age of 18, and certain students with disabilities may get a place in universities or tertiary institutions with their hard work, yet the support on campus is inadequate. As in the case of blind graduates, if they wish to be teachers after graduation, they will encounter tremendous difficulty, for they are not welcome by schools. When it comes to employment, many problems are involved, which include the shortage of Rehabsus service, the inadequacies of sheltered workshops, the lack of lifelong learning opportunities for persons with disabilities and the very stringent and harsh criteria for work injury compensation. Actually, persons with disabilities
have to face difficulties of all kinds and various degrees since their birth, as they
grow old, when they fall sick and eventually when they die. In fact, a number of
Policy Bureaux are involved in the addressing these problems.

Therefore, President, I very much agree with the original motion of Mr
LEUNG Yiu-chung. I think a central committee should be established, so that
before any new legislation or policy is implemented, the committee will consider
it from the perspective of implementing the Convention. As for the formulation
of central policies and the promotion of legislative exercises, it can conduct prior
examination and assessment with the executive team. As in the case of
environmental assessment, which is centralized in nature, the assessment has to
be carried out prior to the introduction of the policy. The same applies to the
Women's Commission, where preventive work or remedial measures are carried
out on various fronts. However, I would like to remind the Secretary that the
central committee established for promoting and implementing the Convention
should not be put under his Policy Bureau. For the rights and benefits of
persons with disabilities do not only involve welfare or employment matters, it is
also a manifestation that society as a whole should respect the inherent equal
rights of everybody. We have to accept that persons with disabilities are one of
the entities among people of different colours.

President, the provisions of the Convention mention the setting up of a
central assessment mechanism. Under 1(c) of Article 4 of the Convention on
"General obligations", it states that States Parties are "to take into account the
protection and promotion of the human rights of persons with disabilities in all
policies and programmes". For this reason, the establishment of a central
committee is essential. I hope that the motion today will gain the support of
Members, prompting the Government to expeditiously establish the committee.

A number of Honourable colleagues have talked about education,
employment and welfare earlier, so I would like to talk about cultural rights in
particular. Now that a consensus concerning employment and education affairs
and the collection of Disability Allowance has yet to be reached, Members may
doubt whether a discussion on culture at this juncture will give people the
impression of caring about lofty issues in times of poverty? No. The
participation in cultural activities is not for mere fulfillment of the requirement
under the International Convention on Economic, Social and Cultural Rights to
discharge the international obligation of ensuring the equal right of everyone to
take part in cultural life. Participation in cultural activities will also enable
persons with disabilities to enjoy a joyful spiritual life, which will alleviate
negative emotions and promote health. Moreover, when they take part in cultural activities with their families and friends, they will integrate further into society.

However, regarding participation in cultural activities, at present, the focus of assistance falls mostly on the provision of sign language services for the hearing impaired — sign language interpretation service is also provided for meetings of the Legislative Council. It is interesting that even under the Convention, emphasis is placed on the hearing impaired, where the provision of sign language service is promoted, but for the visually impaired, no measure is proposed to facilitate their participation in cultural activities.

Indeed, the visually impaired encounter greater difficulty in communicating with the outside world, for they cannot see any colours or shapes other than listening with their ears. For instance, when the whole family watches television drama together, some developments of the story may be conveyed by episodes with music but no dialogues, so when the family laughs happily or sees some thrilling or exciting scenes, the visually impaired cannot participate and will be left in their dark world. In this connection, not much is mentioned in the Convention. A few years ago, the Hong Kong Society for the Blind applied to the "designerhk" for a provision of $800,000 to implement the audio description scheme, under which 70 trainees were trained to provide regular movie appreciation services to the blind. I hope that with the establishment of the central committee, all-round consideration will be given to the needs of persons with different disabilities, so that they will be provided with channels to participate in cultural activities. In this way, their spiritual life will find continuous development that will enable them to become a member of society. We look forward to seeing this development.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, Hong Kong is a cosmopolitan city, but our support for and knowledge about persons with disabilities is very limited. There is recently a report about the sad experience of a visually impaired lady being discriminated against for bringing a guide dog along with her. Specifically, she was mocked by other passengers when she took the MTR or buses; and when she took her guide dog with her to a restaurant, she was
stopped by staff of the restaurant and resulted in jostling, when she had to call in the police for assistance. The manager of the restaurant later explained that the licence of the restaurant clearly prohibited the admission of animals into the restaurant and he did not know that guide dogs were exempted. It is evident that the promotion effort of the Government in this regard is seriously inadequate.

The United Nations Convention on the Rights of Persons with Disabilities (the Convention) has been in force in the People's Republic of China and the SAR since 31 August 2008. The object of the Convention is to promote, protect and ensure that all persons with disabilities will have full enjoyment of all human rights and fundamental freedoms on an equal basis, and to promote respect for the inherent dignity of persons with disabilities. In 2010, the SAR Government submitted the first report on the implementation of the Convention as per the requirement of the Convention. The report, spanning 304 pages, explained in detail the many efforts made by the SAR Government in implementing the Convention.

In mid-September this year, the United Nations Committee on the Rights of Persons with Disabilities (CRPD) held a meeting in Geneva to examine the report submitted by China (including Hong Kong and Macao) on the implementation of the Convention. Regarding the part on the implementation of the Convention in Hong Kong, the CRPD has made 32 items of criticism and recommendations, in which the terms "concern" and "regret" were used a number of times. For instance, the CRPD considers that the SAR Government has been passive in promoting equality and non-discrimination under Article 5 of the Convention. It is considered in the report that the Equal Opportunities Commission (EOC), which is responsible for monitoring and enforcing the Disability Discrimination Ordinance, should review its role and adopt a more aggressive approach, particularly in the handling of complaints.

Apart from the criticism on the role of the EOC, the CRPD also considers that the rank of Hong Kong's Commissioner for Rehabilitation is too low and that Hong Kong lacks an independent monitoring mechanism. President, in regard to education, the CRPD considers that the SAR Government should review the effectiveness of its integrated education, enhance the teacher-to-student ratio and provide training to teachers of special education. The CRPD also thinks that the SAR Government should allocate adequate resources to enable persons with disabilities to receive higher education. The CRPD also makes criticisms and
recommendations on other aspects, including the low allowance provided at sheltered workshops, which is close to exploitation, the limitations on persons with disabilities in engaging in politics, the disregard for discrimination against and violent treatment of women with disabilities, the lack of a standardized definition for disabilities in Hong Kong and the outdated system for vetting the Disability Allowance. The CRPD has expressed regret on these aspects.

These criticisms by the CRPD prove that the SAR Government's performance in respecting and fulfilling the Convention is poor and brings Hong Kong into disrepute. The SAR Government was not ignorant about these inadequacies before the drafting of the first report and the public consultation, for concern groups of persons with disabilities had pointed out those problems a long time ago. However, the Government chose to turn a blind eye and a deaf ear to the problems, focused simply on doing superficial work in supporting persons with disabilities.

Moreover, I would like to highlight the inadequacy of the SAR Government in promoting the employment of persons with disabilities. The CRPD proposes in the report that the SAR Government should implement specific actions to promote the employment of persons with disabilities, particularly in the employment of persons with disabilities as civil servants.

Many Members mentioned earlier the requirement under Article 27 of the Convention that States Parties should promote the employment opportunities for persons with disabilities. In the report submitted to the United Nations, the SAR Government states that the policy objective of the Government in assisting persons with disabilities in attaining employment is to ensure that they have equal access to participation in productive and gainful employment in the open market.

In actuality, according to the figures provided to the Legislative Council by the Government, between 2009 and 2012, persons with disabilities only account for 2% of the civil service establishment. For this reason, the Civic Party supports requesting the Government to conduct a specific review basing on the Convention. The Convention has been implemented for four years, yet the number of civil servants with various degrees of disabilities, including the physically disabled, the visually impaired, the hearing impaired, ex-mental patients, the intellectual disabled, the visceral disabled, as well as those suffering
from dysphasia, autism or with special education needs, only accounts for 2% of the total number of civil servants, and there is no improvement at all.

President, the authorities have not enacted domestic legislation for the implementation of the Convention, and that is why most of the spirits of the Convention cannot be realized in Hong Kong, leaving the Convention nothing more than a piece of paper. The Civic Party hopes that after the motion debate today, the Government will examine and adopt the recommendations of the Committee as soon as possible, so as to ensure that Hong Kong will become a cosmopolitan city, a truly inclusive society.

With these remarks, I support the Mr LEUNG Yiu-chung's original motion and all the amendments.

MR ALBERT HO (in Cantonese): President, I am very grateful to Mr LEUNG Yiu-chung for proposing the motion debate on "Building an inclusive society for all" in this Council again, so that Members can have the opportunity to exchange views.

As a number of Honourable colleagues mentioned earlier, in September this year, the United Nations Committee on the Rights of Persons with Disabilities (CRPD) made as many as 30 items of observations and recommendations after examining the report submitted by the SAR Government. The scope covers the many problems encountered by persons with disabilities in their community life, education, healthcare and employment. It also expresses concerns about a number of specific issues, such as the violent treatment and discrimination experienced by women with disabilities, the failure to make early identification and provide proper care to children with disabilities in education and the failure to provide adequate support to women with intellectual disability who have experienced sexual violence, and so on. Moreover, the CRPD mentioned that persons with disabilities do not have enough opportunities to engage in politics, and that the functions performed by the Equal Opportunity Commission (EOC) and the Hong Kong's Commissioner for Rehabilitation are far from satisfactory, particularly that the rank of the Commissioner is too low, which prompts worries about them failing to discharge their independent monitoring function.
Regarding the concerns expressed by the CRPD, we surely appreciate their care. However, at the same time, we feel a speck of shame, for Hong Kong being an advanced cosmopolitan city is inadequate in so many ways. As Members all know, society is obliged to show care and respect to persons with disabilities and other disadvantaged groups, and to provide them with equal opportunities, and this is also an indicator of the civilization and progress of society. If we fail to fulfil our obligation, our society is indeed not civilized, and Hong Kong does not deserve to be called an advanced and developed society.

President, as I said earlier, persons with disabilities are actually facing a wide range of difficulties, and so I can only focus on a few points. Members have all along been gravely concerned about the low employment rate of persons with disabilities. In other words, their unemployment rate is high and their salaries are on the low side. We think that the Government should implement additional policies to raise their employment rate. I agree that the Government and subsidized organizations should increase the employment ratio of persons with disabilities in a serious manner. Hence, I support setting an indicator and raising the existing indicator, so as to create additional employment opportunities for them by all means. At the same time, the Government should offer special treatment or privilege, be it tax or other concessions like rental discount, to social enterprises or tender contractors providing additional employment opportunities to persons with disabilities. In the case of tender contractors, they should be given priority or additional marks under the points system. I think these measures will promote employment of persons with disabilities.

Certainly, the working environment is also very important. The authorities should provide more extensive education to employers and raise their awareness of the various needs of persons with disabilities on the job. We definitely should not discriminate against them yet we should also make adjustments on various fronts to facilitate their work and enable them to bring their strengths into full play. In respect of the assessment for the entitlement of minimum wage, I agree that if persons with disabilities failing to pass the assessment for obtaining minimum wage, the Government should provide subsidies to enable them to obtain the statutory minimum wage. In my view, society should shoulder this responsibility together, so that persons with disabilities will enjoy dignified and reasonable wages.

Concerning barrier-free access, since the existing design standards have no retrospective effect, and many government buildings, including buildings of the
Housing Department, are granted exemption, I am extremely dissatisfied about that. Given the large number of hospitals and public facilities, there is no reason to exempt these facilities from the coverage of the design standards. Though Chief Executive LEUNG Chun-ying proposed in August this year that extensive inspections would be carried out and additional barrier-free access would be constructed, I think it is extremely important to include government buildings in the coverage of the design standards. I hope the Secretary will respond to this later.

As for families with members with disabilities, we should consider providing them with additional care, including the provision of an allowance to carers. We are especially concerned about persons with disabilities who need to live in residential homes. We all know that the waiting time for a place in residential homes or centres is extremely long, which is 31 months on average, and for residential homes for the moderately and severely mentally handicapped, the waiting time is as long as 80 months and 73 months respectively. I think the Government is indeed duty-bound to build a large number of additional residential homes to cater for persons with disabilities in need.

MR IP KIN-YUEN (in Cantonese): President, the greatest significance of the United Nations Convention on the Rights of Persons with Disabilities (the Convention) lies in the fact that it says, "…… disability results from the interaction between persons with impairments and attitudinal and environmental barriers that hinders their full and effective participation". Here, two issues are brought to the fore: Attitude and the environment. If the attitudes change and improvements are made to environmental barriers, in the future, people who are regarded as disabled nowadays can lead their lives just like everyone else and no one would think that they have any disabilities. Changing the environment and attitudes is a process of cultural re-engineering.

It is necessary to change the environment and attitudes around us, so that just like everyone else, persons with disabilities can enjoy equal rights of social participation. This is a human right, not just welfare. Therefore, the departments promoting rights for the disabled should not just be confined to the Commissioner for Rehabilitation under the Labour and Welfare Bureau alone. This year, the United Nations Committee on the Rights of Persons with Disabilities examined the situation in Hong Kong and said that it was worried
about the promotion and implementation of the Convention by the Commissioner for Rehabilitation. It proposed the establishment of an independent monitoring regime to promote and implement the Convention. This is a very important point because if the ranking of the Commissioner for Rehabilitation is not high, how can he facilitate improvements to the administration of various government departments? Take education as an example, integrated education is riddled with problems and students, parents, schools and teachers are all feeling miserable beyond words, so I find it hard to believe that the Commissioner for Rehabilitation is capable of spurring the Secretary for Education and the Permanent Secretary for Education on in conducting a review of this policy. Therefore, if the Commissioner for Rehabilitation is tasked with this item, it is actually impossible to do a good job of it.

The Education Bureau introduced integrated education in 1997 by arranging for students who were originally studying in special schools to study in mainstream schools. Originally, this concept was an excellent one, for it could help disabled students integrate into society rather than alienating them. However, what is the actual situation? Often, what disabled students encounter in mainstream schools are obstacles and isolation, including the attitudes and environmental barriers mentioned by me just now. Some parents reflected to us, with aching hearts, that it looked as though their deaf and dumb children were invisible in school, with no one paying attention to them even though they could not listen to the lessons, speak or make any friends, and some were even bullied.

There is also widespread discontent among teachers and schools. Some front-line teachers reflected to us that there were more than 20 students with various types of special learning needs in a grade, including dyslexia, developmental disorders, attention deficit, hyperactivity disorder, autism, physical disabilities, and so on, so it was impossible to handle even basic classroom order, so what could they do? How can they teach their lessons properly? In the past, it was possible to teach their lessons properly but now, they cannot do so, so teachers are very frustrated. In addition, parents are often biased against schools enrolling disabled students. Schools enrolling students with special educational needs would be labelled when enrolling students and some parents would even arrange for their children to change schools to avoid these students with special educational needs. Mainstream students cannot receive proper education in the classroom either. In fact, if they can mingle with students with special education needs, this is also an opportunity to learn how to
live together with people with various needs in society. However, if they cannot receive appropriate education, they would bully other students and what they would get is only negative education. In that event, what was originally a desirable policy of integrated education would give rise to an all-lose situation. Why? That means teachers, disabled students and mainstream students all stand to lose. Furthermore, even their parents would also stand to lose because as I said just now, what we call integrated education is actually a cultural re-engineering endeavour on which we have pinned high expectations. If we want to do a good job of it, we need to make good preparations in various areas. Moreover, the investment and commitment in this regard are also substantial. In fact, the biggest achievement of integrated education so far is perhaps only the savings made in education expenditure.

There is material proof for this. If we train students in special schools, and take severely mentally handicapped students as an example, the unit cost for each student is $263,000 and even for a mildly mentally handicapped student, it would require $122,500. However, if we put these students in mainstream schools, the unit cost is much lower. In primary schools, the cost for each disabled student is only $39,580 and even in secondary schools, the unit cost for a disabled student is only $45,400. Compared with the $260,000 and $120,000 mentioned by me just now, the difference is many folds. The number of such students in mainstream schools stands at 15,940. If we do some calculations about the expenses, we can see that the cost is huge.

However, cost is only part of the problem. If we really want to do a good job in integrated education, as Dr KWOK Ka-ki said, we need a small-class environment and the genuine desire to provide adequate support to them, rather than, among other things, having one education psychologist support seven or eight schools, as is the case now. We want the students in mainstream schools to be able to similarly receive adequate support from language therapists or other professionals. Only in this way can a good job be done in education. We also need to give our teachers better training rather than give them just six weeks of training, then think that they can handle all sorts of persons with disabilities.

Therefore, today, we must take this opportunity to voice the need to conduct a comprehensive review (The buzzer sounded) …..
PRESIDENT (in Cantonese): Your speaking time is up.

MR IP KIN-YUEN (in Cantonese): ...... to examine how an even better job can be done in integrated education. Thank you.

MR CHEUNG KWOK-CHE (in Cantonese): President, the motion moved by Mr LEUNG Yiu-chung is entitled "Building an inclusive society for all" and it asks the SAR Government to implement and give effect to the relevant provisions in the United Nations Convention on the Rights of Persons with Disabilities (the Convention) that have not been implemented. This motion makes me think about what the values of the Government on rehabilitation is. If we carry out an analysis, we can see how capricious the Government's efforts in rehabilitation are and how it completely lacks any sense of direction.

In the 1960s and 1970s, most of the more stable countries were developing gradually. Without any exception, these advanced countries all began to develop social welfare. There was also concern for the lives of persons with disabilities, so the rehabilitation value of helping persons with disabilities "reintegrate into society" was formulated. However, the mode of rehabilitation service for persons with disabilities also changed from the previous mode of institutional care — or called "institutionalization" — to that of "reintegration into society" — or the so-called "community care". The subsequent development was that starting with Western countries, the thinking of "deinstitutionalization" came to Hong Kong in the 1980s.

In the final analysis, this concept represents a kind of respect and recognition for the self-esteem and dignity of persons with disabilities. After the promotion of this concept, integrated education was introduced in respect of education, and supported employment service was also introduced in respect of employment in Hong Kong to help persons with disabilities undertake work in various trades and industries just like ordinary people. However, in the last couple of decades, the process of implementation was not plain sailing. At that time, some people in local communities and even schools and teachers voiced opposition. In the past two decades, we began to propose social inclusion and further recognize that society has to accommodate people of various backgrounds
and various types of disabilities, as well as oppose segregation in behaviour and mentality. The spirit of such a direction of rehabilitation service is to advocate equal rights. Nowadays, European and American countries has evolved to the stage of enacting legislation to lay a foundation for the recognition of the basic rights of their people, for example, by providing that ordinary schools cannot refuse to accept children with disabilities and that the government also has to take corresponding measures to support schools and students.

Meanwhile, persons with disabilities are discriminated against from birth to old age, with the Government taking the lead. They bear the full brunt of a lack of service, which is obvious to all. Take the lack of special child care service as an example, in 2008, the waiting time for a place in a special child care centre was only 12 months but this year, it has increased to 16.8 months, with 1,319 children aged between two and six years waiting to use such service. Experts point out that for children suffering from such disabilities as autism, impairments in social interaction and slow language development, with early identification and intervention, the chances of rehabilitation would be much greater. Although the Government has made efforts in early intervention and identification, there is no downstream service, so children with disabilities and their parents can only see the chances of rehabilitation slip away.

When these children go to primary and secondary schools, not only are the numbers of places for special education inadequate, even the support for integrated education, which has been implemented in recent years, is also sorely lacking. Just now, Mr IP Kin-yuen also said that the funds for "special learning needs" allocated by the Government to schools are far from adequate for hiring sufficient manpower support, for example, social workers, occupational therapists and psychologists. The Government is even unwilling to create the post of primary school social workers, for which we have lobbied for many years.

After graduation, the unemployment rate among persons with disabilities has always been on the high side but the authorities are unwilling to introduce employment quota to protect the right to employment of persons with disabilities. As regards day care service and institutional care service, they are even more inadequate and an increasing number of people are waiting for places in day activity centres. In 2004, 836 people were waiting but by 2011, the number increased to 1,106, whereas the number of people waiting for places in sheltered
workshops increased from 1,938 people in 2004 to 2,543 in 2011. The Government is providing the places for day care service to persons with disabilities at a snail's pace, thus resulting in an ever increasing number of people waiting for places. Compared to the situation seven years ago, the number of people waiting in each of the two queues has increased by 30%. The inadequacy of residential care services for persons with disabilities is even more serious and for many years, several thousand people have been waiting for places in hostels. The case involving the longest waiting time is one in which a place has still not been allocated despite a wait of 14 years, so the person concerned could do nothing but wait at home while his physical condition deteriorates, so this is a torment both to persons with disabilities and their carers.

All along, the Government has refused to provide a definition of the ageing of persons with disabilities and provide appropriate services. Although some special projects — that is, WEP and ECP — were introduced several years ago to let elderly students or those with deterioration in work abilities in sheltered workshops and day activity centres join the programmes, the Social Welfare Department only funded these organizations with 60% of the unit cost of ordinary day service units without providing any additional venue, so these workshops have become very crowded. On the surface, these special services are designed especially for elderly persons with disabilities but in fact, these people were just cast aside and neglected.

From pre-school, through education, employment, day care services, hostel services to the rehabilitation services at old age, the Government has adopted a mode of "squeezing tooth paste" in the provision of the relevant services by treating the due rights of persons with disabilities as if it were giving away alms, thus taking the lead in discriminating against persons with disabilities and rendering them unable to integrate into society in various aspects. The Government has to change its old mindset and take the rights of persons with disabilities seriously before an inclusive society both for the disabled and the able-bodied can be created.

President, I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): President, I wonder what the Government will say in the face of accusations made by the relevant institution of
the United Nations. However, when it comes to disabilities, this Government can be described as having disabilities, too. Let us look at the Secretary. His symptoms include "disabilities in thinking" and "loss of control in speech", as he will use the word "proven" in his response no matter what Members say. When I asked him how he felt when he was told that more than 1,000 elderly persons had died before they were offered a residential care place, he said, "Mr LEUNG, what has been done is proven."

When I was a child, I was advised to visit my friend's home to see how he treated his family members, especially his parents or pets, to gain a good understanding of him as a person. It is because he might dress gorgeously and talk in high-sounding words when he went out but treat his family members with an entirely different attitude. This Government is like this — it talks in high-sounding words in this Chamber but continues to act in a stubborn manner after leaving the Chamber. Let me cite as an example the Sahk Ko Fook Iu Memorial School, which is operated in a public housing estate in my constituency for people with disabilities. Despite its request for the Government to allocate funds to carry out alteration, the works can still not commence. I dare not walk near the school because I do not have the courage to face them, and so I have to make detours. In response, to our requests, the Government will only say, "There is nothing we can do. Our practice is proven. According to the rules, this is the only thing we can do."

Secretary Matthew CHEUNG must not forget that we are his boss. Why must he hold on to so much money? Honestly, he is doing a disservice to people with disabilities when it comes to early childhood education. When it comes to the so-called "4-3-3 academic structure", he has again forgotten the shortfall and failed to give us three more years. I have seen many people shed tears because of this. When we approached the worldly Michael SUEN, the former Secretary for Education — more than 200 people gathered at the ground floor of his office at that time — the Bureau shut the gate and refused their entry. This is the typical behaviour of a Bureau Director.

Honourable colleagues, our discussion here is pointless. Why does the Government treat people with disabilities in this manner? It is because they do not have any votes and clout. Honestly, the Government has treated unemployed workers very badly and set the minimum wage at an extremely mean level. Despite lengthy discussions, the ceiling on working hours has yet to be
imposed. Elderly persons aged above 70 are even forced by the Government to rake their brains to decide whether they should tell a lie in order to receive double "fruit grant". We can tell from these matters alone that the Government is really heartless. How can we expect the Government to do something when confronted with someone who has no bargaining power at all?

We have protested time and again to the Government for transport concessions. Now the Government is doing an act of benevolence by offering the $2 concessionary fare, though many rules and restrictions are attached. This has always been the way the Government goes about doing things. It will stand in the way of the underprivileged with some "proven" habit of bureaucracy in order to demonstrate their diligence and that they have carefully considered before deciding that people with disabilities under the age of 12 cannot enjoy the fare concession. Is this Government an idiot? What are the reasons for the Government to disallow people with disabilities under the age of 12 from enjoying the fare concession? Is it because adults can pay for them? Or is it because they have money? Or is it because they will do something meaningless in the company of adults?

President, whenever we confronted Secretary Matthew CHEUNG in this Chamber and asked him about matters relating to rights, he would shift the subject to welfare and then tell us that the Government could not afford it. Whenever we talked about the principles governing universal values which had to be observed by the Government, that is, the International Covenant on Economic, Social and Cultural Rights (the ICESCR) ….. honestly, it is pointless to talk about the ICESCR, because the Government has simply not signed the ICESCR and will not consider it. What is the point of talking about the ICESCR, political or civil rights? The Government has made it clear that they are irrelevant and have no overriding power. Those covenants are merely for discussion's sake. Such being the case, what else can we discuss with the Government?

I have to have a heart-to-heart talk with Secretary Matthew CHEUNG and ask him whether he will request the Government to employ more people with disabilities. Can he make a request to raise the percentage, say, from 2% to 3%? Can he stop repeating the word "proven"? Can he stop repeating such nonsense? Can he promise us that "he will take the blame and turn over a new leaf"? Let
us make a deal. Will he respond later why the Government cannot employ more people with disabilities at 3% or 4%? Why can the Government not request some competent capitalists to follow suit? If this request cannot be met, can the Government not ask them to pay in other ways? It is impossible for small and medium enterprises to do so. Please respond! As for the issue of giving us three more years in relation to the "4-3-3 academic structure", will alternation be carried out for the Sahk Ko Fook Iu Memorial School? Please do not keep repeating the word "proven". Please respond and stop talking like a bureaucrat. I believe he will not respond to us later on. It is really like talking to a brick wall. This lame Government has a heart of stone but no will of its own.

DR ELIZABETH QUAT (in Cantonese): President, every one of us in this world is born to be useful. I believe every person has his value. The point is how to create an environment to enable every one of us in society, including persons with disabilities and able-bodied persons, to bring their ability into play.

As pointed out by Mr CHAN Han-pan in his amendment, although the United Nations Convention on the Rights of Persons with Disabilities has been in force in Hong Kong since 2008, there is still room for improvement for quite a number of policies and measures relating to persons with disabilities.

In connection with the question of the motion debate today, I invited the president of the Hong Kong Rehabilitation Power last week to exchange views with me, so that I could further listen to his advice.

First of all, under the existing policy, public transport fare concession is offered to the elderly and eligible persons with disabilities only. But the point is the word "eligible" is defined in such a way that only persons with 100% disability are considered eligible, so persons with disability in one limb cannot enjoy this concession. This is why I agree that the existing policy should be reviewed to examine how it can be relaxed to allow the 50 000-odd holders of the Registration Card for People with Disabilities to be able to enjoy the concession.

In an inclusive society for all, persons with disabilities should be encouraged to go beyond the community to take part in territory-wide barrier-free activities. However, according to the statistics on Rehabus services, there was a
rising tendency of the number of rejected telephone booking applications per annum between 2008 and 2011, from approximately 10,000 in 2008 to approximately 16,000 in 2011. It is thus evident that many persons who need Rehabus services are unable to make successful bookings.

The waiting period for scheduled Rehabus services in the past five years ranged from half a month to two months on average. In other words, persons with disabilities wishing to go out had to make bookings for Rehabus services at least two or several months in advance. In sharing his experience, the president of the Hong Kong Rehabilitation Power said that large Rehabus had to be reserved at least six months in advance, so that arrangements could be made for dozens of wheelchair-bound persons to participate in inter-district activities. However, it has recently been found that even a booking made six months in advance has turned out to be unsuccessful, thus greatly undermining the desire of persons with disabilities in participating in inter-district activities.

On the other hand, it is very inconvenient for persons with disabilities who have to get to work or school to wait three to six months for scheduled Rehabus services. Some persons with disabilities who have originally found a job have also been compelled to give it up because of the lack of pick-up services, unless their bosses are so kind as to be willing to wait more than three months.

Besides inter-district activities, it is not easy for persons with disabilities to participate in activities held in their own districts, too. According to an inspection report compiled by me, with the assistance of the local volunteers and friends of the Hong Kong Rehabilitation Power, in Chung On Shopping Centre and Yiu On Shopping Centre in Ma On Shan in October 2011, although these two shopping centres are installed with barrier-free facilities in compliance with the Buildings Ordinance, many of these facilities are not user-friendly, an expression we often use, meaning that they cannot really achieve the purpose of facilitating use by persons with disabilities.

For instance, although the elevators are installed with an audible system and tactile braille push buttons to cater for the needs of the blind, the location of the buttons are so high that wheelchair-bound persons can simply not reach them. Many kaifongs in various housing estates, especially wheelchair-bound kaifongs, have complained to me that the doors of the elevators in housing estates,
including public and private housing estates, close very quickly. As a result, there is not enough time for wheelchair-bound persons to enter the elevators, and they will end up being caught between the doors. After a study conducted later, however, I found that the elevators could become barrier-free by slowing down the time of the elevator doors closing by just two or three seconds. This will make it much more convenient and easy for persons with disabilities to leave their homes. How can they go out if it is so complicated to use the elevators or enter the buildings when they go home?

In fact, barrier-free facilities are already installed in many places across the territory in compliance with the requirements of the law. However, people will find that these facilities are not entirely barrier-free when putting them into use. Even crossing the road is a difficult task for persons with disabilities. How can the harmonious integration between persons with disabilities and able-bodied persons be achieved when so many obstacles are encountered by persons with disabilities when they wish to go out to take part in activities?

President, it is crucial to provide owners' corporations of buildings with technical and funding support. How can persons with disabilities go beyond the community to take part in inter-district activities if they cannot even walk of the doors of the buildings where they live? If residential buildings are not required by law to be installed with barrier-free access, funding support as an incentive is crucial. So, can the Government study the feasibility of providing funding support, or even consider providing 100% support, to improve the entry and exit passages of residential buildings to convert them into barrier-free passages?

If the eligibility criteria for the "subsidy for carers of persons with disabilities" is pegged to that for Comprehensive Social Security Assistance (CSSA), many families in need but not yet required to apply for CSSA will be denied due assistance. Therefore, I support lowering the eligibility threshold to provide a living subsidy for people who cannot go out to work because they need to care for family members with disabilities. The most preferable amount should certainly be on par with the minimum wage to give support to carers of persons with disabilities, so as to ensure that their livelihood will not be affected.

I am aware that many rehabilitation organizations understand that it still takes time for a consensus to be reached in society for the introduction of a quota system for employment of persons with disabilities, and so they all share the hope
that the Government can expeditiously provide tax concessions first, such as offering double tax deduction on expenses relating to the employment of persons with disabilities, with a view to encouraging more employers to employ persons with disabilities.

Providing more employment opportunities for persons with disabilities is extremely crucial. Therefore, in addition to the "Enhancing Self-Reliance Through District Partnership Programme" and the tripartite fund set up by the Social Welfare Department, the Government should consider allocating additional funds to support rehabilitation organizations in establishing social enterprises to encourage more persons with disabilities to become self-reliant and help others to become self-reliant, thereby building an inclusive society for all at various levels.

With these remarks, President, I support the original motion and all the amendments.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now call upon Mr LEUNG Yiu-chung to speak on the six amendments. The speaking time limit is five minutes.

MR LEUNG YIU-CHUNG (in Cantonese): President, first of all, I am grateful to the six Honourable colleagues for proposing amendments and the proposals found in their amendments are also the demands that have all along been made by civil groups (in particular, groups for persons with disabilities). This time around, Members have proposed various amendments and they have precisely come together to form an overall blueprint. If the Secretary can give this blueprint to the Chief Executive, LEUNG Chun-ying, so that he can put it forward in his future policy address, I think people with disabilities would be very happy because doing so can give them a new lease of life and new hope.
However, concerning the proposals as a whole, I think there are some areas that merit discussion by Members. Many Honourable colleagues said that they support my original motion. If so, I hope that when Members vote later, they would not support Mr CHAN Han-pan's amendment. Why do I ask Members not to support his amendment? Because he has put forward a very important concept that is at variance with my original motion. Wherein does the difference lie? It lies in the fact that his amendment adds the two words "conduct studies" to the reference in my original motion to expeditiously establishing a dedicated committee to promote and give effect to the relevant provisions of the United Nations Convention on the Rights of Persons with Disabilities that the SAR Government have not yet implemented. What kind of studies are they? They are studies on establishing a dedicated committee. President, in that case, several problems would arise. First, if the Government accepts his suggestion of conducting studies, there is no knowing how long the studies will take, so it can be said that the Government is given a way to back down with good grace, so that it can take its time by conducting studies for one year, two years, three years or continually, and there is no knowing when the proposals could be implemented. In that event, our hopes would be dashed and we would get nothing. Therefore, this point of "conducting studies" does not merit our support.

Apart from the delay caused by studies, there is also another issue, that is, after the conclusion of the studies, it can be decided that a dedicated committee should not be established, so I am very disappointed with this point. I heard all the Honourable colleagues from the DAB voice their support for my original motion. This being so, why do they have to add the two words "conduct studies" to my original motion? President, in fact, this is a contrary concept, so when Honourable colleagues from the DAB vote on the amendment proposed by Mr CHAN Han-pan later on, they should also vote against it rather than supporting it. Otherwise, your professed support for my original motion would only ring hollow and you do not really support it.

In addition, I wish to say more about the proposals in Mr Michael TIEN's amendment. I support him. His comments surprised me very much because his amendment says that a review should first be conducted on the impact of the minimum wage on the employment of persons with disabilities. Initially, I thought what he meant by a review was to look at how the implementation of the minimum wage posed obstacles to the employment opportunities of persons with disabilities but after listening to his speech, I found that he meant to look at how
to enable more people with disabilities to have employment opportunities. This is a most desirable direction, moreover, it also ties in with the issue of employment quota raised by a number of Honourable colleagues just now.

Although Dr CHIANG Lai-wan is not in the Chamber, I wish to talk about the proposals put forward by her in her speech just now. She pointed out in her speech that at present, the number of persons with disabilities working in the Government (that is, in the Civil Service) accounts for about 2% but this figure is not the true picture. Why? Because this 2% includes people who are colour-blind and also considered to be persons with disabilities. Of course, we cannot say that colour-blind people are not persons with disabilities. Their lives are also somewhat unsatisfactory in some aspects, but I wish very much to boost the employment opportunities of people with disabilities involving other parts of the body. Therefore, on this point, we strongly support the introduction of an employment quota system and also hope that the figure for this employment quota would not be confined to as small as 2%. This really has to be increased and as Mr LEUNG Kwok-hung said, why not make it 3% or 4%? In that event, people with disabilities will have more employment opportunities, so that they can integrate into the community and lead new lives. This would be more desirable and more helpful to their rehabilitation. As Members all know, if a person has spiritual sustenance, this would surely be most conducive to his mental and physical health. Therefore, not only can employment solve their problems in living, it can also facilitate their rehabilitation, so we have to consider this issue from two perspectives.

Lastly, I hope very much that Members would support all the amendments except the one by Mr CHAN Han-pan. I so submit.
statutory and independent enforcement agency of the Disability Discrimination Ordinance, has all along been safeguarding the equal opportunities of people with disabilities and upholding their rights under the Disability Discrimination Ordinance. In tandem, the Rehabilitation Advisory Committee (RAC), being the principal advisory body of the Government on the rights and well-being of people with disabilities, has been playing the important role of monitoring the implementation of the Convention in Hong Kong in addition to assisting the Government in promoting and implementing the Convention. The Chairman, Vice-Chairman and members of the RAC are all non-officials, including people with different disabilities, parents of people with disabilities, representatives from self-help organizations of people with disabilities and non-governmental organizations (NGOs) providing rehabilitation services, academics, community and business leaders, and professionals. Representatives of relevant government bureaux and departments also serve as ex-officio members to provide necessary support to the RAC and follow up issues raised by the RAC as appropriate. With wide acceptance and representation, the RAC is the most suitable central mechanism to promote the implementation of the Convention.

Within the Government there is the post of the Commissioner for Rehabilitation (the Commissioner). The Commissioner is responsible to the Secretary for Labour and Welfare for the formulation of the overall rehabilitation policy for people with disabilities, and for co-ordinating and facilitating the work of government departments, public organizations and NGOs in the development and provision of rehabilitation services. Following the application of the Convention to Hong Kong, the relevant bureaux and departments have the responsibilities to ensure that the policies and measures under their purview are in compliance with the spirit and provisions of the Convention, and the Commissioner has henceforth taken up the role as the focal point within the Government of the Hong Kong Special Administrative Region (SAR) for matters relating to the implementation of the Convention. Some time ago I undertook to review the ranking and powers of the Commissioner in response to the observations of the United Nations Committee. I hope that the review can be launched within this year for a decision to be taken next year.

We consider that the existing framework has been effective in giving effect to and promoting the Convention and in monitoring its implementation in Hong Kong. In fact, as I mentioned in my opening remarks, the Government attaches great importance to the implementation of the Convention. Since the
Convention was brought into effect, the Government has continuously provided additional resources to enhance the provision of support services to people with disabilities. Marked progress has been made in building a barrier-free, equal and inclusive society. Here, I wish to share with Members the developments in some major aspects.

First, in respect of building a barrier-free environment, the new version of "Design Manual: Barrier-Free Access" was published in December 2008, setting higher design standards to ensure that suitable barrier-free access and facilities are provided in buildings to cater for the needs of people with disabilities. Departments responsible for designing and developing government buildings and public housing have also put in place a monitoring mechanism to give effect to the policy guidelines, with a view to ensuring that all newly constructed buildings or existing buildings where alterations have been carried out comply with the requirements of the latest Design Manual published in 2008 or even achieve a standard beyond the statutory requirements.

Moreover, to expedite the improvement of accessibility of government premises, public housing and road links, we have embarked on large-scale improvement works projects at a cost of $1.3 billion to upgrade the barrier-free facilities in about 3,500 existing government premises and facilities and about 240 public housing estates. These works projects have covered all government venues frequently visited by the public, and 90% of the improvement works were completed in end-June as scheduled.

In respect of public walkways, the Government announced in August 2012 that the existing policy would be enhanced and that a lift installation programme would be launched to expand the existing programme to retrofit barrier-free access facilities at public walkways, thereby creating a "universally accessible" environment in the community to improve the accessibility of the public walkways. The Transport and Housing Bureau has consulted the Panel on Transport on the latest progress of the new policy and the proposal to create a new block allocation subhead for "Universal Accessibility Programme" and has obtained the general support of the Panel. The Transport and Housing Bureau will submit the proposal to the Public Works Subcommittee for discussion in December this year and, subject to the Subcommittee's approval, we will seek funding approval from the Finance Committee in January 2013, with a view to commencing the projects as early as possible.
We have continuously improved transport facilities and closely co-operated with public transport operators, making concerted efforts to facilitate the use of public transport services by people with disabilities. For example, lifts or direct accesses connecting the station concourse and road at grade will be provided in all railway stations by 2015, and all franchised buses will be retrofitted with video and/or audio bus stop announcement systems by the end of this year and will become wheelchair accessible in 2015-2016.

To cater for the special needs of those people with disabilities who have difficulties in using general public transport, the Government has been providing comprehensive funding support for the operation of the wheelchair-accessible Rehabus service, which provides point-to-point transport services for people with disabilities to go to work and school, to receive vocational rehabilitation training or participate in other social activities. From 2007-2008 onwards, 28 new buses have been procured, representing an increase of 28% and increasing the fleet size of Rehabus to 129 vehicles. We will continue to further enhance the Rehabus service and upgrade the efficiency of its operation in the light of the service demand.

Apart from upgrading the barrier-free facilities in terms of hardware, we have also made an effort in terms of software. Particularly, efforts are made to strengthen the daily management of facilities and raise the awareness of accessibility issues of the venue management. This is very important. To this end, various bureaux and departments have designated an Access Co-ordinator to facilitate the co-ordination of accessibility issues within the bureaux and departments. All these issues, big or small, should be given due consideration. An Access Officer has also been appointed for each venue or facility to handle accessibility issues at the venue.

The Government has all along been concerned about whether people with disabilities can access information and conduct communication smoothly and without obstruction. The Government has provided funding support for the development of information and communications technology-based assistive tools and applications to cater for the needs of people with different kinds of disabilities. We have launched the Web Accessibility Campaign to promote the adoption of web accessibility design in the public and private sectors, in order to facilitate access to online information and services for people with disabilities. For example, all government websites are required to conform to Level AA of the
Web Content Accessibility Guidelines promulgated by the World Wide Web Consortium by early 2013. This requirement makes the SAR Government one of the earliest to implement this latest standard for government websites in the world.

Employment and jobs are a great concern to many Members. Like Members, we are also very much concerned about this. The Government will continuously enhance the provision of employment support and vocational training services to people with disabilities, so as to equip them with job skills that meet market requirements and to assist them in securing suitable employment commensurate with their abilities. This is very important.

For example, under the "Enhancing Employment of People with Disabilities through Small Enterprise" Project, the Government, through making of grants as start-up capital, supports the creation of small enterprises or businesses by NGOs to provide employment opportunities for people with disabilities direct and enable people with disabilities to truly work at ease in a carefully planned and sympathetic working environment. A funded business needs to fulfil the requirement that the number of employees with disabilities should not be less than 50% of the total number of employees. To continuously improve the employment opportunities of people with disabilities, the Government injected $100 million into the Project early this year and extended the funding period for individual business from two years to three years.

We will continue to implement various incentive schemes and enhance public understanding of the working capabilities of people with disabilities through various public education activities. With regard to incentive schemes, the Work Orientation and Placement Scheme is implemented, under which a participating employer will receive a financial incentive equivalent to two thirds of the actual salary paid to each employee with disabilities during the employment period, with a ceiling of $4,000 per month for each disabled employee.

Besides, we will provide subsidies to employers of people with disabilities for procuring assistive devices and carrying out workplace modification works, thereby enabling people with disabilities to work more conveniently and efficiently and helping them secure open employment. An employer will receive a maximum subsidy of $20,000 for each employee with disabilities.
Through granting an award to mentors, we aim to encourage employers to arrange for mentors for employees with disabilities, thereby rendering workplace guidance to employees with disabilities and helping them adapt to new jobs.

Members have proposed to set up a quota system for employing people with disabilities, and we have studied this issue. In fact, according to studies on the promotion of employment of people with disabilities conducted by the European Commission in 2000 and the International Labour Organization in 2003, the implementation of a mandatory quota system has not been successful overseas in helping people with disabilities secure employment. Some countries have indeed abolished their quota systems. To promote the employment of people with disabilities, the international trend is to focus on the enactment of anti-discrimination regulations and legislation and the provision of enhanced support measures for people with disabilities in employment, rather than setting up an employment quota system.

We are also concerned that under a mandatory employment quota system, people with disabilities may be perceived as a liability by the community, thus making it difficult for them to win acceptance by their co-workers. This is not conducive to their integration into the community. In view of this, we consider that people with disabilities should be assisted in finding appropriate jobs on the basis of their abilities, not on the ground of their disabilities. To this end, apart from providing vocational training and employment support to people with disabilities, the Administration will continue to adopt positive incentive measures, such as giving recognition to good employers (I have cited many examples in this connection earlier on), promoting good practices and providing incentives and assistance to employers, with a view to promoting employment opportunities for people with disabilities.

Meanwhile, we have all along paid great attention to the impact of the statutory minimum wage on the employment of people with disabilities. Indeed, the Minimum Wage Ordinance establishes that employees with or without disabilities enjoy the same protection of statutory minimum wage (SMW), and in the light of the situation of employees with disabilities, the Minimum Wage Ordinance also makes a special arrangement for people with disabilities to choose to trigger the productivity assessment mechanism, with the objective of striking a reasonable balance between wage protection and employment opportunities for people with disabilities and minimizing the possible impact of the SMW on the
employment opportunities of people with disabilities. The Government will continuously keep a close watch on the actual operation of the SMW and its impact on people with disabilities and conduct a comprehensive review after the mechanism has operated for two years.

To cater for the needs of people with disabilities and their carers, the Government is committed to enhancing the provision of rehabilitation services, including residential care services, community support services, day training services and vocational rehabilitation services, as well as pre-school rehabilitation services and mental health services. Over the past few years, we have consistently increased the number of places to meet the ever increasing demand. We understand that the waiting time is long and this is why we have been committed to increasing the provision of services and improving the service quality.

Like Members, we are greatly concerned about the demand of people with disabilities for residential care services. In fact, we have all along adopted a three-pronged approach in line with the strategic directions mapped out in the Hong Kong Rehabilitation Programme. Apart from making continuous efforts to steadily increase the number of subsidized residential care homes places and supporting NGOs in developing self-financing homes, we have also provided assistance to facilitate the healthy development of the private-sector market.

With regard to the measures implemented to this end, the Government introduced the licensing scheme for residential care homes for people with disabilities in November 2011. In parallel, the Bought Place Scheme for private residential care homes for persons with disabilities (RCHDs) has been launched to encourage private-sector operators of residential homes to upgrade their service standard and increase subsidized places supply, thereby shortening the waiting time for the services and facilitating the development of more service choices in the market. Meanwhile, continuous efforts will be made to identify suitable sites for development of new RCHDs, in order to provide more subsidized residential care home places.

In addition, we have implemented a number of new "people-oriented" service programmes. In respect of community support services, as Members all know very well, 16 district support centres for people with disabilities have been set up across the territory to provide convenient district-based community support
services to people with disabilities and their carers. We have implemented the Pilot Scheme on Home Care Service for Persons with Severe Disabilities under which people with severe disabilities who are living in the community and are on the waiting lists for subvented residential care services are provided with a package of home-based personal care services, rehabilitation training services and nursing care services.

At its meeting held just this morning, the Steering Committee on the Community Care Fund endorsed the provision of an extra monthly subsidy ranging from $2,000 to $2,500 to low-income respirator users with severe physical disabilities. This is the latest decision made just this morning.

In respect of mental health services, the Government has set up Integrated Community Centres for Mental Wellness across the territory to provide one-stop integrated mental health community support services to people in need.

We will continuously review the operation of and demand for these community support services in a timely manner and further enhance these services to ensure that people with disabilities and their carers can obtain sufficient support, thereby enabling people with disabilities to fully integrate into society.

Public education is equally important. To promote the spirit and core values of the Convention, the Labour and Welfare Bureau has since 2009-2010 substantially increased the allocation for the promotion of public education to about $13 million. I would like to share with Members a few examples. Territory-wide promotional activities included the production of a television series, "A Wall-less world" and a programme about sign language (手語隨想曲), promotion of the theme song, production of Announcements in the Public Interest, publication of cartoon booklets on the Convention, a roving exhibition, life education programmes organized jointly with social enterprises for youngsters, and so on.

In addition to organizing a number of large-scale territory-wide promotional activities, we have increased funding for NGOs and District Councils to organize relevant promotional activities from about $1 million per year in the past to an annual allocation of about $3 million at present.
Moreover, the Government has also strengthened training for civil servants, which is very important too, in order to enhance their knowledge in the application of the spirit of the Convention in their daily work.

Members have proposed to review the eligibility criteria for the Disability Allowance (DA). The DA is a monthly cash allowance granted under the Social Security Allowance Scheme with the objective of providing assistance to people with severe disabilities to meet their special needs. This allowance, which is non-contributory and non-means-tested, targets at the more needy people with severe disabilities. Government subsidies currently provided to people with disabilities without requiring them to be means tested include the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (that is, the $2 concessionary fare) as mentioned by Members earlier on, and the Transport Supplement for people with disabilities, as well as the fare concessions offered by the MTR Corporation Limited to people with disabilities. All these are provided on the ground of severe disabilities.

I hope Members will understand that the implementation of each public policy or measure must be in line with its policy objective, while having regard to the financial implications and other impacts. The extension of the DA to cover people whose disabilities have not reached the level of severely disabled will involve significant policy changes. We must carefully study the effects on relevant policies and other support measures for people with disabilities and exercise prudence in weighing the impact on public finance and other aspects.

Some Members have enquired about the progress of the review of the DA Scheme. As I explained in detail in my reply to a written question from a Member on 14 November, the Social Welfare Department set up a Working Group in November 2009 to conduct a review, having regard to The Ombudsman's recommendations in its Direct Investigation Report on "Granting of Disability Allowance and Processing of Appeals by Social Welfare Department" released in October 2009. The Working Group has suitably refined and updated the guidelines, assessment forms and checklists used by medical officers at public hospitals and clinics for conducting medical assessments, and also the work flow of relevant departments and authorities in processing DA applications, in order to ensure consistency and objectiveness in conducting medical assessments and achieve the policy intent of the DA.
At one point in time, the progress of the Working Group was affected by a judicial review lodged by an ex-DA applicant. With the conclusion of the judicial review in mid-July 2011, the Working Group immediately continued its review work and has basically completed its work now.

However, the Chief Executive in his manifesto proposed to allow people with the loss of one limb to apply for the DA. This proposal has a direct bearing on the current eligibility criteria of the DA, and will also affect the applicability of the results of the Working Group's review. Before deciding on when and how to implement the outcome of the Working Group's review, we need to consider the implications arising from the follow-up work on the Chief Executive's proposal. Comprehensive consideration is necessary, and we will embark on the follow-up work.

Members have proposed that studies be conducted on extending the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the $2 concessionary fare scheme) to people with disabilities under the age of 12 and to maxicabs. I would like to explain that various major public transport operators are currently offering fare concessions to children aged below 12, and children aged three or below are given free rides. In spite of this, we are actively studying the extension of the fare concession scheme to children aged below 12 who are 100% disabled and who are recipients of Comprehensive Social Security Assistance or the DA. We hope that a specific reply and a timetable can be provided soon.

Concerning the proposal of including maxicabs, or green minibuses, in the fare concession scheme, the Government remains open and is working with the green minibus trade to study the feasibility as well as the technical and detailed arrangements involved, including arrangements for performing accounting and auditing work and for using the Centralized Settlement Platform for the fare revenue forgone arising from the implementation of the Scheme to be reimbursed to minibus operators, the technical enhancement for the green minibuses' fare collection system, and feasible anti-abuse measures. As there are, at present, quite a large number of green minibus operators and many of them are small in scale with different modes of operation and financial positions, we expect that it will take time to study and discuss in detail these technical and implementation details.
I wish to turn to education. Several Members have mentioned education. Regarding the policy on special education, the Government adopts a dual-track approach in the provision of special education. Based on the assessments and recommendations of specialists and with parental consent, the Education Bureau places students with severe or multiple disabilities in special schools for receiving intensive support services. As for other students with mild special education needs, their parents can choose to place them in ordinary schools. Under the Disability Discrimination Ordinance, all schools are duty-bound to admit students with special education needs and provide appropriate support to help them develop their potentials.

In respect of school education, the Education Bureau upholds five basic principles in taking forward integrated education, namely, "early identification", "early intervention", "Whole School Approach", "home-school co-operation" and "cross-sectoral collaboration". Under these principles, schools will provide the most suitable learning environment and make appropriate adaptation for students in the light of students' learning needs, with a view to building an inclusive culture in schools.

Our current policy to provide integrated education through the "Whole School Approach" is in line with the global trend of integrated education. To assist ordinary schools in taking care of students with special education needs, the Education Bureau has been providing additional resources, professional support and teachers' training to schools. In the 2011-2012 school year, government expenditure on the provision of additional resources and professional support for integrated education is estimated to be close to $1 billion. Additional resources provided to schools include the Learning Support Grant under which each school can receive as much as $1 million each year, the Enhanced Speech Therapy Grant, and provision of additional teachers to cater for the needs of low academic achievers.

In respect of professional support, apart from providing various professional support programmes and advice to schools and students, the Education Bureau will further extend the School-based Educational Psychology Service, which is expected to cover all public-sector primary and secondary schools by the 2016-2017 school year. With regard to public education and cross-sectoral collaboration, the Bureau will continuously enhance publicity and the dissemination of information to promote inclusion through various activities.
On teachers' training, the Education Bureau introduced a five-year teacher professional development framework on integrated education in the 2007-2008 school year, which enabled schools to systematically arrange for teachers to attend the Basic, Advanced and Thematic Courses focusing on the caring of students with special education needs. These courses have received positive feedbacks from the sector. The Education Bureau will continue to provide these courses at three levels for teachers starting from the 2012-2013 school year, so that schools can, by making reference to the standards of the Education Bureau, arrange for teachers to attend these courses, with a view to upgrading teachers' professional capability in taking care of students with different special education needs.

President, the creation of an inclusive society for all is the wish of Members and a policy objective of the Government. We have been making great efforts to this end, and we are grateful for the participation and assistance of various sectors of the community. We will continue to work in close partnership with Members of the Legislative Council, the RAC, the EOC, organizations for the disabled, the stakeholders, the rehabilitation sector as well as various sectors of the community, in order to further promote the rights and equal opportunities of people with disabilities in the spirit of the Convention and to facilitate their active participation in community activities and full integration into society, with a view to building a caring, inclusive and a truly equal society.

President, I so submit. Thank you.

PRESIDENT (in Cantonese): Dr Fernando CHEUNG, you may move the amendment to the motion.

DR FERNANDO CHEUNG (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion be amended.

Dr Fernando CHEUNG moved the following amendment: (Translation)

"To add "Hong Kong as an international city is advanced in economic development but falls behind in social development, often neglecting the
basic rights of persons with disabilities;" after "That,"; to delete "a" after "to expeditiously establish" and substitute with "an independent"; to delete "and" after "to promote" and substitute with ","; to add "and monitor the SAR Government's full implementation of" after "give effect to"; to delete "that the SAR Government has not yet implemented" after "relevant provisions of the Convention"; to delete "especially for" after "protection for persons with disabilities," and substitute with "review the definition of 'severely disabled' for Disability Allowance, and allow"; and to delete ", so that they can" after "age of 12" and substitute with "to".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Fernando CHEUNG to Mr LEUNG Yiu-chung'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)

Dr Fernando CHEUNG rose to claim a division.

PRESIDENT (in Cantonese): Dr Fernando CHEUNG has claimed a division. The division bell will ring for five minutes.

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

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted for the amendment.

Mr MA Fung-kwok voted against the amendment.

Mr NG Leung-sing abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr Michael TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, 20 were in favour of the amendment, one against
it and one abstained; while among the Members returned by geographical constituencies through direct elections, 31 were present and 30 were in favour of the amendment. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Building an inclusive society for all" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.
I order that in the event of further divisions being claimed in respect of the motion on "Building an inclusive society for all" 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 WONG Kwok-hing, as Dr Fernando CHEUNG's amendment has been passed, you may now move your revised amendment.

MR WONG KWOK-HING (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG be further amended by my revised amendment. I hope Honourable colleagues can give me support.

Mr WONG Kwok-hing moved the following further amendment to the motion as amended by Dr Fernando CHEUNG: (Translation)

"To add "and those who do not lose 100% of their work capacity" after "age of 12"; and to add "; and on 9 November 2011, this Council passed a motion on 'Comprehensively reviewing the Disability Allowance scheme', to which the authorities responded on the same day that they expected to complete the review of the Disability Allowance ('DA') scheme in early 2012 and report comprehensively to the Legislative Council Panel on Welfare Services ('the Panel'); this Council urges the Government to expeditiously report the outcome of the Government's review on the DA scheme to the Panel, so that this Council can conduct timely follow-up discussions in order to be accountable to all persons with disabilities in Hong Kong" immediately before the full stop."

(Some Members talked among themselves)

PRESIDENT (in Cantonese): Please keep quiet.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Kwok-hing's amendment to Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG be passed.
PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr CHAN Han-pan, as the amendments of Dr Fernando CHEUNG and Mr WONG Kwok-hing have been passed, you may now move your revised amendment.

MR CHAN HAN-PAN (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion, as amended by Dr Fernando CHEUNG and Mr WONG Kwok-hing, be further amended by my revised amendment. As the amendment on the establishment of a dedicated committee was passed just now, there is no more need for Mr LEUNG Yiu-chung to be concerned about this issue.

My proposed amendment comprises eight points in total, including providing fare concession for the elderly and eligible persons with disabilities, increasing barrier-free transport services, expeditiously implementing the "universal accessibility" programme, proactively promoting barrier-free communities, formulating a five-year plan for community care, building additional residential care homes for persons with disabilities and increasing the number of places, putting in place a "subsidy for carers of persons with disabilities", setting up a quota system for employing persons with disabilities and providing tax concessions, and proactively supporting rehabilitation organizations to establish social enterprises. I hope Members can support these
eight points put forward in my revised amendment. I also believe Mr LEUNG Yiu-chung will not vote against my amendment.

**Mr CHAN Han-pan moved the following further amendment to the motion as amended by Dr Fernando CHEUNG and Mr WONG Kwok-hing:**

*(Translation)*

"To add "; this Council also urges the Government: (a) to conduct studies on extending the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities to maxicabs and trams, etc.; (b) to increase barrier-free transport services such as the numbers of buses under Rehabus services and Easy-Access Transport Services, etc., so as to provide more point-to-point services for persons with disabilities; (c) to expeditiously implement the 'universal accessibility' programme to provide barrier-free access, and actively respond to the suggestions put forward by members of the public from various districts on the construction of barrier-free access; (d) to proactively promote barrier-free community facilities, improve community facilities, and provide owners' corporations of buildings with technical and funding support for improving the main entry and exit access of their buildings; (e) to formulate a five-year plan for community care, build additional residential care homes for persons with disabilities and increase the number of places, so as to shorten the waiting time for admission and access to services; (f) to put in place a 'subsidy for carers of persons with disabilities' to assist carers of persons with disabilities in alleviating their financial burdens and mitigate the impact on their livelihood due to their inability to go out to work; (g) to set up a quota system for employing persons with disabilities and provide tax concessions to encourage employers to employ more persons with disabilities; and (h) to proactively support rehabilitation organizations to establish social enterprises, so as to provide employment opportunities for persons with disabilities" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr CHAN Han-pan's amendment to Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG and Mr WONG Kwok-hing be passed.
PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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): Dr KWOK Ka-ki, as the amendments of Dr Fernando CHEUNG, Mr WONG Kwok-hing and Mr CHAN Han-pan have been passed, you may now move your revised amendment.

DR KWOK KA-KI (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion, as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing and Mr CHAN Han-pan, be further amended by my revised amendment.

Dr KWOK Ka-ki moved the following further amendment to the motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing and Mr CHAN Han-pan: (Translation)

"To add "; (i) in respect of enhancing public education, to implement Article 8 of the Convention, raise the awareness of the community at large regarding persons with disabilities, and combat stereotypes, prejudices and harmful practices relating to persons with disabilities, so as to achieve the harmonious integration between persons with disabilities and able-bodied persons; (j) in respect of creating a barrier-free environment, to implement Article 9 of the Convention and examine the existing
barrier-free measures in connection with buildings, roads, transportation and other indoor and outdoor facilities, including schools, housing, medical facilities and workplaces; (k) to assist persons with disabilities in integrating into community life and implement Article 19 of the Convention, ensuring that public facilities and various types of community services are responsive to the needs of persons with disabilities; and (l) in respect of supporting school children with specific learning difficulties, to implement Article 24 of the Convention, make reference to the special education policies of other countries and regions, and enact a 'special education law' to protect the learning needs of school children with specific learning difficulties; the Government should also strengthen teacher training, create a suitable learning environment, and ensure the integration of school children with specific learning difficulties into community life" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr KWOK Ka-ki's amendment to Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing and Mr CHAN Han-pan be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. 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.
Ms Emily LAU moved the following further amendment to the motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan and Dr KWOK Ka-ki: (Translation)

"To add "; and (m) to implement the recommendations relating to Hong Kong made by the United Nations Committee on the Rights of Persons with Disabilities after it had examined the report submitted by China (including Hong Kong and Macao) on her implementation of the Convention during the session convened at Geneva in September this year" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Emily LAU's amendment to Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan and Dr KWOK Ka-ki be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)
PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr Michael TIEN, as the amendments of the five Members have been passed, you may now move your revised amendment.

MR MICHAEL TIEN (in Cantonese): President, I move that Mr LEUNG Yiu-chung's motion, as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan, Dr KWOK Ka-ki and Ms Emily LAU, be further amended by my revised amendment.

I would like to briefly highlight the salient points of my revised amendment, that is, to retain the original proposal in my amendment concerning a review of the impact of the implementation of the minimum wage on the employment of persons with disabilities in an expeditious manner, apart from some essential changes in wordings and the addition of paragraph numbering.

I hope Members will support the amendment. Apart from that, I have nothing to add. Thank you.

Mr Michael TIEN moved the following further amendment to the motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan, Dr KWOK Ka-ki and Ms Emily LAU: (Translation)

"To add ';' and (n) to expeditiously review the impact of the implementation of the minimum wage on the employment of persons with disabilities" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Michael TIEN's amendment to Mr LEUNG Yiu-chung's motion as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan, Dr KWOK Ka-ki and Ms Emily LAU be passed.
PRESIDENT (in Cantonese): I now put the question to you as stated. Those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, you may now reply and you still have two minutes and eight seconds.

MR LEUNG YIU-CHUNG (in Cantonese): President, first of all, I thank NOW Channel and Cable TV for broadcasting the simultaneous sign language interpretation of the entire debate on this motion tonight. This will serve as a very good example, and I hope this practice will be continued in future. But a prerequisite is that the Legislative Council can make arrangements for the provision of simultaneous sign language interpretation service for motion debates, in order for television stations to broadcast the sign language interpretation of the debates. In this connection, I hope that the President can make arrangements for discussions to be held expeditiously in the Legislative Council Commission on whether additional resources can be provided to hire sign language interpreters to provide sign language interpretation service for motion debates in the future.

Meanwhile, I would like to tell the Secretary that since all the amendments have been passed tonight, I believe the original motion as amended will also be passed ultimately. If so, we will have drawn up a very good blueprint for people
with disabilities. A roadmap will have been provided, too. All that will be lacking is just a timetable.

What I dislike most is a word often said by the Secretary and that is, the word "studies" which is also used in Mr CHAN Han-pan's amendment, though the word has now been deleted. The Secretary has not only repeatedly said "studies", "studies", "studies" …… He even went further towards the end by adding another word which is more unpleasant to the ear — he added "carefully" before "studies" (Laughter). This is even more unbearable to the ear than just "studies". I hope that the Secretary will not carefully study it, and I call on him to take actions immediately. We cannot wait any longer. I hope he can expeditiously implement the proposals made in all the amendments and the original motion. Thank you, President.

I so submit.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEUNG Yiu-chung, as amended by Dr Fernando CHEUNG, Mr WONG Kwok-hing, Mr CHAN Han-pan, Dr KWOK Ka-ki, Ms Emily LAU and Mr Michael TIEN, 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.

(Some Members started to leave their seats)

**PRESIDENT** (in Cantonese): Will Members please remain seated. The meeting has not yet ended.

**NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11 am on Wednesday 28 November 2012.

*Adjourned accordingly at four minutes to Ten o'clock.*
Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Labour and Welfare to Mr Jeffrey LAM's supplementary question to Question 1

As regards the relevant figures on the number of job vacancies in private sector establishments in June 2012 analysed by sector, they are as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>June 2011 (Number)</th>
<th>June 2012 (Number)</th>
<th>Year-on-year change (Number)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>1 600</td>
<td>2 100</td>
<td>500</td>
<td>32.9</td>
</tr>
<tr>
<td>Construction sites (manual workers only)</td>
<td>300</td>
<td>600</td>
<td>300</td>
<td>94.7</td>
</tr>
<tr>
<td>Import/export trade and wholesale</td>
<td>8 300</td>
<td>9 100</td>
<td>900</td>
<td>10.6</td>
</tr>
<tr>
<td>Retail</td>
<td>5 200</td>
<td>6 900</td>
<td>1 700</td>
<td>32.7</td>
</tr>
<tr>
<td>Transportation, storage, courier services, information and communications</td>
<td>4 900</td>
<td>5 400</td>
<td>500</td>
<td>10.2</td>
</tr>
<tr>
<td>Restaurants</td>
<td>6 900</td>
<td>10 500</td>
<td>3 600</td>
<td>52.4</td>
</tr>
<tr>
<td>Accommodation and other food service activities</td>
<td>1 300</td>
<td>1 800</td>
<td>600</td>
<td>44.0</td>
</tr>
<tr>
<td>Financing, insurance, real estate, professional and business services</td>
<td>10 600</td>
<td>11 500</td>
<td>800</td>
<td>8.0</td>
</tr>
<tr>
<td>Estate management, security and cleaning services</td>
<td>4 000</td>
<td>5 400</td>
<td>1 300</td>
<td>33.0</td>
</tr>
<tr>
<td>Social and personal services</td>
<td>9 300</td>
<td>12 200</td>
<td>3 000</td>
<td>31.9</td>
</tr>
</tbody>
</table>
Written Answer — Continued

<table>
<thead>
<tr>
<th>Sector</th>
<th>June 2011</th>
<th>June 2012</th>
<th>Year-on-year change&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Number)</td>
<td>(Number)</td>
<td>(Number)</td>
</tr>
<tr>
<td>Miscellaneous activities&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>4 200</td>
<td>5 200</td>
<td>1 000</td>
</tr>
<tr>
<td>Others</td>
<td>100</td>
<td>100</td>
<td>*</td>
</tr>
<tr>
<td>All sectors</td>
<td>56 600</td>
<td>70 800</td>
<td>14 200</td>
</tr>
</tbody>
</table>

Notes:

1. Excluding those in the Civil Service. Number of job vacancies is rounded to the nearest hundred.
2. Year-on-year change is calculated based on unrounded figures.
3. Excluding food processing and production.
4. Excluding local courier services.
5. Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.
6. Excluding elderly homes; laundry and dry cleaning services; and hairdressing and other personal services.
7. Miscellaneous activities cover elderly homes; laundry and dry cleaning services; hairdressing and other personal services; local courier services; and food processing and production.

* Data is not released.

Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Appendix II

WRITTEN ANSWER

Written answer by the Secretary for Transport and Housing to Mr Albert HO's supplementary question to Question 2

As regards cycling accident statistics, the relevant information is provided as follows.

Table 1: Number of bicycle accidents by location of accident

<table>
<thead>
<tr>
<th>Year</th>
<th>Carriageways</th>
<th>Cycle Tracks</th>
<th>Other Locations#</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>828 (46.2%)</td>
<td>709 (39.5%)</td>
<td>256 (14.3%)</td>
<td>1 793 (100.0%)</td>
</tr>
<tr>
<td>2010</td>
<td>895 (46.8%)</td>
<td>822 (42.9%)</td>
<td>197 (10.3%)</td>
<td>1 914 (100.0%)</td>
</tr>
<tr>
<td>2011</td>
<td>1 065 (45.4%)</td>
<td>1 070 (45.6%)</td>
<td>213 (9.1%)</td>
<td>2 348 (100.0%)</td>
</tr>
<tr>
<td>2012</td>
<td>1 068 (41.4%)</td>
<td>1 200 (46.5%)</td>
<td>314 (12.2%)</td>
<td>2 582 (100.0%)</td>
</tr>
<tr>
<td>+ Provisional figures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013* (Jan to Feb)</td>
<td>153 (39.8%)</td>
<td>164 (42.7%)</td>
<td>67 (17.4%)</td>
<td>384 (100.0%)</td>
</tr>
</tbody>
</table>

Notes:

# Other locations mean places such as cycle parks, playgrounds and open spaces

* Figures may not add up to total due to rounding

Table 2: Number of cyclists killed or injured in bicycle accidents by location of accident and degree of injury

<table>
<thead>
<tr>
<th>Year</th>
<th>Carriageways (a)</th>
<th>Cycle Tracks (b)</th>
<th>Other Locations# (c)</th>
<th>Total (a)+(b)+(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Killed S. I. L. I. Total</td>
<td>Killed S. I. L. I. Total</td>
<td>Killed S. I. L. I. Total</td>
<td>Killed S. I. L. I. Total</td>
</tr>
<tr>
<td>2009</td>
<td>6 112 611 729 2 64 604 670 2 26 154 182 10 202 1 369 1 581</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>9 128 691 828 1 80 718 799 0 21 120 141 10 229 1 529 1 768</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## WRITTEN ANSWER — Continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Carriageways (a)</th>
<th>Cycle Tracks (b)</th>
<th>Other Locations (c)</th>
<th>Total (a)+(b)+(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Killed</td>
<td>S. I.</td>
<td>L. I.</td>
<td>Total</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>7</td>
<td>235</td>
<td>766</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>1</td>
<td>28</td>
<td>117</td>
</tr>
<tr>
<td>(Jan to Feb)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

"S. I." means "seriously injured" and "L. I." means "lightly injured"

# Other locations mean places such as cycle parks, playgrounds and open spaces

+ Provisional figures